

Official Statement

*Davis Joint Unified School District
School Building Corporation
Yolo and Solano Counties*

\$9,000,000 Series of 1977 Bonds

INSTITUTE OF GOVERNMENTAL
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MAY 9 1977

UNIVERSITY OF CALIFORNIA

Bids to be received by the Corporation on Thursday, May 19, 1977, at 10:00 A.M. at the Conference Room of Stone & Youngberg Municipal Financing Consultants, Inc., Suite 2750, One California Street, San Francisco, California.

[Stone & Youngberg, municipal financial consultants]
Davis -- Economic conditions
Yolo county -- "
School bonds -- California -- Davis

OFFICIAL STATEMENT
\$9,000,000 SERIES OF 1977 BONDS
DAVIS JOINT UNIFIED SCHOOL DISTRICT
SCHOOL BUILDING CORPORATION

D. Steven Blake, *President*

Elizabeth Ann Owings, *Vice President*

John B. Pennington, *Secretary*

Karen H Spiess, *Treasurer*

Linda H. Frost, *Assistant Secretary*

DAVIS JOINT UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION

Darrell Darling, *President*

James Cothern, *Vice President-Clerk*

Janet Damesyn

Max Bach

Helen Thomson

ADMINISTRATIVE STAFF

Dr. Daniel L. Predovich, *Superintendent*

Dr. Romeo D. Brion, C.P.A., *Assistant Superintendent-Business*

Paul I. Hoyenga, *Project Coordinator*

PROFESSIONAL SERVICES

Orrick, Herrington, Rowley & Sutcliffe, *San Francisco, California*
Bond Counsel

Johnson, Greve, Clifford & Diepenbrock, *Sacramento, California*
Corporation Counsel

Stone & Youngberg Municipal Financing Consultants, Inc., *San Francisco, California*
Financing Consultants

Gwathmey Sellier Crosby Architects, *San Francisco, California*
Architects

United California Bank, *San Francisco, California*
Trustee

Manufacturers Hanover Trust Co., *New York, New York*
Paying Agent

The Northern Trust Company, *Chicago, Illinois*
Paying Agent

United California Bank, *Los Angeles, California*
Paying Agent

THE DATE OF THIS OFFICIAL STATEMENT IS MAY 2, 1977

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TO WHOM IT MAY CONCERN:

The purpose of this Official Statement is to supply information to prospective bidders on, and buyers of, \$9,000,000 principal amount of the Series of 1977 Bonds, proposed to be issued by the Davis Joint Unified School District School Building Corporation.

The material contained in this Official Statement was prepared by Stone & Youngberg Municipal Financing Consultants, Inc., in the capacity of financing consultants to the Corporation (which firm will receive compensation from the Corporation contingent upon the sale and delivery of the Bonds).

This Official Statement is not to be construed as a contract with the purchasers of the Series of 1977 Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

The agreements of the Corporation with the purchasers of the Bonds are set forth in the Indenture. That document will be available to any prospective investor in the Bonds. Reference is hereby made to that document for a complete statement of the rights and obligations of the Corporation and holders of the Bonds.


No dealer, broker, salesman or other person has been authorized by the Corporation to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

The members of the board of directors of the Davis Joint Unified School District School Building Corporation have reviewed this Official Statement and have determined that as of the date hereof the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. The Davis Joint Unified School District School Building Corporation will deliver to the purchaser of the Bonds a certificate as to the above, dated the date of Bond delivery and further certifying that the signatories know of no material adverse change in the condition of the District which would make it unreasonable for the purchaser of the Bonds to rely upon the Official Statement in connection with the resale of the Bonds, and authorizing the purchaser of the Bonds to distribute copies of the Official Statement in connection with the resale of the Bonds. 250 copies of the Official Statement will be supplied to the purchaser of the Bonds for this purpose.

The opinion of Orrick, Herrington, Rowley & Sutcliffe, San Francisco, California, Bond Counsel to the Corporation, will be furnished to the successful bidder (see the section entitled "Legal Opinion" herein). The scope of Bond Counsel's employment in connection with the review of this Official Statement has been limited to reviewing the statements of law and legal conclusions set forth herein under the sections titled "Davis Joint Unified School District School Building Corporation" and "The Bonds".

Dated May 2, 1977

DAVIS JOINT UNIFIED SCHOOL DISTRICT
SCHOOL BUILDING CORPORATION



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SUMMARY OF ESSENTIAL FACTS AND ESTIMATES
DAVIS JOINT UNIFIED SCHOOL DISTRICT
SCHOOL BUILDING CORPORATION
\$9,000,000 PRINCIPAL AMOUNT SERIES OF 1977 BONDS

Issuer and Authority for Issuance: Davis Joint Unified School District School Building Corporation pursuant to the General Nonprofit Corporation Law of the State of California (Title 1, Division 2, Part 1 of the California Corporations Code), and an Indenture between the Corporation and United California Bank, as Trustee.

Purpose of Issue: Finance the construction of a new Emerson Junior High School (Project Phase I), which will be leased to the Davis Joint Unified School District.

Issue of Bonds: \$9,000,000 principal amount of Series of 1977 Bonds of the Corporation, dated May 1, 1977 and maturing on November 1 as follows:

Maturity Date November 1	Principal Maturing	Maturity Date November 1	Principal Maturing
1980	\$200,000	1990	\$425,000
1981	225,000	1991	475,000
1982	250,000	1992	500,000
1983	250,000	1993	550,000
1984	275,000	1994	575,000
1985	300,000	1995	625,000
1986	325,000	1996	650,000
1987	350,000	1997	700,000
1988	375,000	1998	750,000
1989	400,000	1999	800,000

Interest: Maximum rate not to exceed 8 percent per annum, payable on May 1, 1978, and semiannually thereafter on November 1 and May 1 of each year.

Time and Place of Sale: Thursday, May 19, 1977 at 10:00 A.M. at the Conference Room of Stone & Youngberg Municipal Financing Consultants, Inc., Suite 2750, One California Street, San Francisco, California.

Payment and Registration: Interest and principal payable at the principal office of United California Bank in San Francisco, California (the Trustee), or, in the case of coupon bonds at the offices of the Manufacturers Hanover Trust Co. in New York,

New York, The Northern Trust Company in Chicago, Illinois or United California Bank in Los Angeles, California. Coupon bonds in denomination of \$5,000 or in fully registered form, interchangeable at the office of the Trustee.

Call Provisions: All bonds callable from proceeds of insurance or eminent domain on any date without premium. Bonds maturing on or before November 1, 1994 not otherwise callable. Bonds maturing on and after November 1, 1995 also callable on any interest payment date on or after November 1, 1987 at a maximum premium of 3 per cent and at lesser premiums in subsequent years as specified in the Indenture.

Tax Exemption: In the opinion of Bond Counsel, interest on the Series of 1977 Bonds is exempt from all present federal and State of California personal income taxes.

Legality for Investment: The Series of 1977 Bonds are eligible to secure deposits of public funds in California under Section 53651.5 of the California Government Code. It is anticipated the U.S. Comptroller of Currency will issue a ruling that the Series of 1977 Bonds are eligible for purchase, dealing in, underwriting, and unlimited holding by national banks.

Blue Sky Memorandum: Information memorandum regarding applicability of blue-sky laws in all 50 states, District of Columbia, and Puerto Rico will be furnished to prospective purchasers.

Legal Opinion: Orrick, Herrington, Rowley & Sutcliffe, San Francisco.

Security: Payment of Bond interest and principal secured by a first and exclusive charge upon District base rental payments. Rental payments are general fund obligations and District covenants to budget and appropriate necessary funds each year.

District voters have approved a 57.3¢ per \$100 assessed valuation maximum annual tax rate increase over the period 1974/75 to 2000/2001 for the purposes of (1) preparing plans and specifications, and (2) leasing the Project to be constructed for District's

use. Proceeds of the voter approved maximum tax rate increase may be used only to meet District rental obligations and other Project costs.

District estimated annual rental obligation of \$863,913 (\$853,913 base rental and estimated \$10,000 additional rental) payable in semiannual installments beginning April 15, 1980 and each subsequent October 15 and April 15 through October 15, 1999 is anticipated to be met by proceeds from voter approved lease authorization tax.

The maximum rental is based on the following assumptions: (1) actual Project Phase I construction costs as bid, (2) a bid of 7 percent per annum estimated interest rate on Bonds issued to finance the construction of Project Phase I school facilities, (3) funded interest during and for eleven months beyond the expected completion date of the facilities, and (4) the funding of a bond service reserve equal to estimated one-half maximum annual debt service.

Based on the present 1976/77 assessed valuation (\$156,362,076) and a tax delinquency of 2% (3-year tax delinquency of 1.57% and a 1975/76 tax delinquency of 1.04%), the tax rate necessary to generate funds to meet annual maximum rental payments for Project Phase I facilities is 56.4¢ of the total voter approved 57.3¢ tax rate increase.

Other Protective Provisions Series of 1977 Bonds: (1) Reserve equal to one-half maximum annual debt service created from bond proceeds; (2) interest funded from bond proceeds through November 1, 1979, approximately eleven months beyond the estimated date of occupancy of Project Phase I schools by the District; (3) rental moneys collected by the District one fiscal year in advance of lease payment dates; (4) firm construction bids have been received with 100% faithful performance and 100% labor and materialmen's bonds; (5) insurance protection includes fire and extended coverage for not less than full replacement cost of the facilities or sufficient to pay Bonds, subject to a deductible clause not to exceed \$50,000 for any one loss; earthquake insurance after completion, if

such insurance is available at reasonable cost on the open market from reputable insurance companies, for not less than full replacement cost of the facilities or sufficient to pay Bonds, subject to a deductible clause not to exceed 10 percent of replacement cost for any one loss; rental interruption insurance equal to time required to construct structure plus three months; public liability and property damage insurance; and a policy of title insurance in the amount of the Bonds insuring the Corporation's interest in the site upon which facilities are to be located.

District Financial Data: Five year history shows: (1) increase in average daily attendance from 5,617 to an estimated 5,949 in fiscal year 1976/77, (2) growth in assessed valuation from \$85,639,861 to \$156,362,076, (3) tax rates per \$100 assessed valuation ranged over the past four year period from a high of \$6.728 (1974/75) to a low of \$5.676 (1976/77), (4) tax collections averaged 98.96 per cent in 1975/76.

The District: Located in South Central Yolo County 14 miles west of Sacramento. Population estimated at 40,000. The City of Davis accounts for approximately 80 per cent of the District's population and 73 per cent of its assessed valuation. Median home value was \$25,100 in 1970. Average family income in 1970 was \$13,059.

Direct and Net Direct and Estimated Overlapping Debt. Upon delivery of the Corporation's Series of 1977 Bonds currently being offered for sale, the total of the Corporation's and District's direct debt will be \$16,712,557 or 10.69% of assessed valuation and 2.83% of estimated real value. Net direct and estimated overlapping debt will be 17.76% and 4.70% of assessed valuation and estimated real value, respectively.

ALL OF THE TERMS OF THIS SUMMARY OF ESSENTIAL FACTS AND ESTIMATES ARE SUBJECT TO THIS OFFICIAL STATEMENT AND THE OFFICIAL NOTICE OF SALE OF THE BONDS.

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The City of Davis is located approximately 14 miles west of Sacramento and approximately 70 miles east of San Francisco.

DAVIS JOINT UNIFIED SCHOOL DISTRICT SCHOOL BUILDING CORPORATION

Organization and Membership

The Davis Joint Unified School District School Building Corporation, herein referred to as the "Corporation", was incorporated on December 9, 1976, as a nonprofit corporation pursuant to the General Nonprofit Corporation Law of the State of California (Title 1, Division 2, Part 1, of the California Corporations Code). The purpose of the Corporation is to provide financial assistance to the Davis Joint Unified School District, Yolo and Solano Counties, California, herein referred to as the "District", by financing the acquisition and construction of public school buildings and facilities for the District.

The Corporation functions as an independent entity and its policies are determined by a five-member Board of Directors who are community leaders and residents of the District. The members of the Board of Directors, who serve without compensation, are:

President: D. Steven Blake, attorney, active participant in school district and various local advisory committees, former member Open Space Subcommittee, Citizens General Plan Review Committee, City of Davis.

Vice President: Elizabeth Ann Owings, former teacher and active participant in various local committees which have included serving on the Boards of the Davis Parent Nursery School and the Davis Parent Teachers Association, served as Vice-President of the local unit in 1975-76.

Treasurer: Karen H. Spiess, Board Member of the League of Women Voters, and active participant in various local committees.

Secretary: John B. Pennington, residence halls manager, University of California, Davis, and active participant in various local committees.

Assistant Secretary: Linda H. Frost, attorney, Chairman of the Yolo County Planning Commission, Member of the League of Women Voters.

Certain Powers of the Corporation

The powers of the Corporation are vested in, and exercised by, a majority of its directors. Under its Articles of Incorporation, the Corporation has all powers conferred upon nonprofit corporations by the laws of the State of California including the following:

(a) To borrow money and issue bonds, debentures, notes and other evidences of indebtedness, and to secure the payment or performance of its obligations by pledge, mortgage, transfer in trust or otherwise;

(b) To acquire, by purchase, exchange, lease, gift, devise, bequest or otherwise, and to hold, improve, lease, sublease, mortgage, transfer in trust, encumber, exchange, convey or otherwise dispose of real and personal property; and

(c) To assume any obligations, enter into any contracts and other instruments and do any and all things incidental to or expedient for the attainment of its corporate purposes or the issuance and sale of its securities.

Financing Procedures and Basic Legal Documents

On June 4, 1974 voters of the District, by a vote of 7,136 to 4,984 (58.9%), approved an increase of 57.3¢ per \$100 assessed valuation in the District's maximum tax rate over the period 1974/75 to 2000/2001 for the purposes of preparing plans and specifications and leasing a new Emerson Junior High School.

Proceeds from the sale of the \$9,000,000 principal amount of the Corporation's Series of 1977 Bonds (the "Series of 1977 Bonds") currently being offered will be used to construct a new Emerson Junior High School ("Project Phase I") on a District-owned site that is to be leased to the Corporation pursuant to provisions of a site lease, the principal provisions of which are summarized in the "Site Lease" heading of the Official Statement.

The term "Project" as used herein includes Project Phase I and any other school facilities financed by the Corporation under the Indenture. The term "Bonds" includes the Series of 1977 Bonds and any other series of bonds subsequently issued under the Indenture.

The \$9,000,000 principal amount of the Series of 1977 Bonds currently being offered will be issued pursuant to an Indenture between the Corporation and United California Bank, San Francisco, California, as Trustee. The Indenture will be dated May 1, 1977 and will be executed prior to the delivery of the Series of 1977 Bonds.

The Series of 1977 Bonds and a summary of certain provisions of the Indenture are discussed in "The Bonds" section of this Official Statement. For complete details prospective purchasers of the Series of 1977 Bonds are referred to the text of the Basic Legal Documents accompanying the distribution of this Official Statement.

The Corporation will lease back to the District the facilities to be constructed and the site pursuant to provisions of a facility lease, the principal provisions of which are summarized in the "Facility Lease" heading of this section of the Official Statement. For complete details prospective purchasers of the Series of 1977 Bonds are referred to the text of the Basic Legal Documents accompanying the distribution of this Official Statement.

Site Lease

The Site Lease will be dated May 1, 1977 and will be executed prior to the delivery of the Series of 1977 Bonds.

Pursuant to the Site Lease, the District will lease to the Corporation, at an annual rate of \$1.00, the real property (Demised Premises) upon which the Project Phase I facilities are to be constructed. The Corporation shall use the Demised Premises solely for the purpose of: (1) constructing Project Phase I facilities thereon, and (2) leasing back to the District the Demised Premises and the facilities thereon pursuant to the Facility Lease.

Term. The term of the Site Lease shall start on the date of its recordation in the office of the County Recorder of Yolo County, State of California, or on July 1, 1977, whichever is earlier. The term of the Site Lease shall end on April 1, 2000, unless earlier terminated or extended. If prior to April 1, 2000, all of the Series of 1977 Bonds shall have been retired, the Site Lease shall be terminated ten days

thereafter (the final maturity of the Series of 1977 Bonds is November 1, 1999). If on April 1, 2000 all of the Series of 1977 Bonds shall not be fully paid and retired, or if the rental payable under the Facility Lease shall have been abated, then the term of the lease shall be extended until ten days after all bonds and other indebtedness of the Corporation incurred to finance the construction of Project Phase I shall be fully paid and retired, except that the term of the lease shall in no event be extended beyond April 1, 2010.

Title to Site. The District owns the site upon which the facilities are to be constructed.

Eminent Domain Proceedings. In the event all or any part of the Demised Premises or the improvements thereon (including Project Phase I) is taken by eminent domain proceedings, the interest of the Corporation shall be recognized and is determined to be the amount of the then unpaid indebtedness incurred by the Corporation to construct the Project Phase I facilities, including interest thereon and all other payments required to be made by, or to, the Trustee under the Indenture securing the Series of 1977 Bonds.

Termination and Disposition of Project. Upon the termination of the Site Lease, the Corporation agrees to surrender to the District the Demised Premises and title to the permanent structures and improvements existing thereon.

For additional details of the Site Lease, prospective purchasers of the Series of 1977 Bonds are referred to the complete text of the proposed form of Site Lease included in the Basic Legal Documents accompanying the distribution of this Official Statement.

Facility Lease

The Facility Lease will be dated May 1, 1977 and will be executed prior to the delivery of the Series of 1977 Bonds. The Corporation will lease to the District the Demised Premises and the Project Phase I facilities to be constructed thereon pursuant to provisions of the Facility Lease.

Term. The term of the Facility Lease shall start on the day of its recordation in the office of the County Recorder of Yolo County, State of California, or on July 1, 1977, whichever is earlier. The term of the Facility Lease shall end on March 31, 2000 unless earlier terminated or extended. If prior to March 31, 2000, all of the Series of 1977 Bonds shall have been retired, the Facility Lease shall ter-

minate ten days thereafter (the final maturity of the Series of 1977 Bonds is November 1, 1999). If on March 31, 2000, the Series of 1977 Bonds have not been retired, the Facility Lease shall be extended until ten days after all Series of 1977 Bonds and any other indebtedness incurred to finance the construction of Project Phase I shall be fully paid and retired, except that the term of the Facility Lease shall in no event be extended beyond March 31, 2010.

Construction of Facilities. The District has obtained competitive bids for the construction of Project Phase I facilities at a cost of \$6,567,000. Concurrent with the execution, delivery and recordation of the Facility Lease, the Corporation will enter into a contract with the lowest responsible bidder for construction of the Project Phase I facilities in accordance with plans and specifications previously approved by the District and the Office of State Architect.

Commencement of Rent. It is contemplated that the District will take possession of the Demised Premises and the facilities on or before March 31, 1980 and the first semiannual payment of rental shall be due on April 15, 1980. The District may take possession of the Demised Premises and the Project Phase I facilities prior to March 31, 1980 if completed prior to that date. If for any reason the Corporation is not able to deliver possession of the Demised Premises and the Project Phase I facilities, or any part thereof, to the District by March 31, 1980, the Facility Lease shall not be void nor shall the Corporation be liable to the District for any loss or damage resulting therefrom; but in that event, the rental payable by the District shall be abated based on the proportion the construction cost of the incompleting portion or portions of the Project Phase I facilities bears to the total construction cost of the facilities.

Base Rental. For the use and occupancy of the Demised Premises and the Project Phase I facilities, the District agrees to pay the Corporation a base rental, semiannually beginning on April 15, 1980 and each succeeding October 15 and April 15 up to and including October 15, 1999 unless the Facility Lease has been earlier terminated or extended. The amount of base rental shall be in a specified amount sufficient to meet payments of interest and principal on the Corporation's Series of 1977 Bonds as they become due. The actual base rental obligation of the District will be determined following the sale of the Series of 1977 Bonds.

Additional Rent. The District is also required to pay to the Corporation additional rental in an amount sufficient to meet administrative costs of the Corporation attributable to Project Phase I and the Corporation's Series of 1977 Bonds.

District Provision of Rental. The District covenants to include all base rental and additional rental payments in its annual budget and to make the necessary annual appropriations for all such payments. The Corporation and the Trustee will be furnished copies of each proposed and final budget of the District within ten days after the filing or adoption thereof.

Abatement of Rental. Rental shall be abated during any period in which there is substantial interference with the District's use and occupancy of the Demised Premises and the Project Phase I facilities due to damage or destruction. The abatement of District rental shall be based on the proportion of initial costs of the unusable portion or portions of the Project Phase I facilities to the total initial cost of Project Phase I facilities. In the event of any such damage or destruction, the lease shall continue in full force and effect and the District waives any right to terminate the lease by virtue of such damage or destruction.

Insurance. After the substantial completion of Project Phase I, the District shall procure or cause to be procured, and maintain or cause to be maintained, throughout the term of the Facility Lease, various insurance coverages including fire and extended coverage, earthquake (if available on the open market at reasonable cost from reputable insurance companies), public liability and property damage, and rental or use and occupancy insurance. These various insurance coverages will be provided by the Contractor during construction. The major features of these types and amounts of insurance coverages are discussed under the heading "The Indenture" in "The Bonds" section of this Official Statement.

Maintenance, Utilities, Taxes and Assessments. The District shall be responsible for the maintenance and repair of the Demised Premises and the Project Phase I while in possession, and shall pay or arrange for the payment of such costs, as well as utilities, and taxes and assessments throughout the term of the Facility Lease.

Eminent Domain Proceedings. In the event the whole of Project Phase I facilities are permanently taken under the power of eminent domain, the Fa-

cility Lease shall terminate. In the event less than all of the Project Phase I facilities are taken under the power of eminent domain, the Facility Lease shall continue in full force and there shall be a partial abatement of rental to be agreed upon by the District and the Corporation; however, in no event shall the rental payable by the District be less than the amount required for the retirement of the Series of 1977 Bonds and payment of interest thereon as such bonds and interest become due.

Option to Purchase. The District shall have the option to purchase the Corporation's interest in any part of the Project Phase I facilities upon payment of an option price equal to the aggregate amount for the entire remaining term of the lease of the part of the total rental attributable to such part of the Project Phase I facilities (determined by reference to the proportion which the construction cost of such part of the Project Phase I facilities bears to the construction cost of all of the Project Phase I facilities).

Default By District. Should the District default and fail to remedy any default, the Corporation has the right to terminate the Facility Lease and re-enter the premises, or without terminating the Facility Lease, re-enter and relet the Project Phase I facilities as the agent of and for the account of the District.

Termination and Disposition of Project. Upon termination of the Facility Lease, the Corporation agrees to surrender to the District the Demised Premises and title to permanent improvements thereon.

The foregoing summary discussion of selected features contained in the proposed form of Facility Lease are made subject to all of the provisions of the proposed form of Facility Lease. This summary does not purport to be a complete statement of such provisions and reference is made to the proposed form of Facility Lease which is included as part of the legal documents accompanying this Official Statement.

THE BONDS

Authority for Issuance

The \$9,000,000 principal amount of Davis Joint Unified School District School Building Corporation Series of 1977 Bonds, herein referred to as the "Series of 1977 Bonds," are to be issued pursuant to the General Non-Profit Corporation Law of the State of California (Title 1, Division 2, Part 1 of the California Corporation Code) and a certain indenture dated May 1, 1977, herein referred to as "the Indenture", to be entered into between the Corporation and United California Bank, as Trustee. The Series of 1977 Bonds will be secured under provisions of the Indenture, a copy of the proposed form of which is included in the Basic Legal Documents which accompany this Official Statement.

Terms of Sale

Bids for the purchase of the \$9,000,000 principal amount of the Series of 1977 Bonds will be received by the Corporation at 10:00 A.M., Thursday, May 19, 1977, at the Conference Room of Stone & Youngberg Municipal Financing Consultants, Inc., Suite 2750, One California Street, San Francisco, California. Details of the terms of sale are included in the Official Notice of Sale adopted by the Board of Directors of the Corporation on May 2, 1977.

Description of the Bonds

The Series of 1977 Bonds will be dated May 1, 1977 and will bear interest, at a rate not to exceed 8 percent per annum, from their date, payable on May 1, 1978 and semiannually on each succeeding November 1 and May 1. The Series of 1977 Bonds will mature on November 1 in each of the years in the designated principal amounts as shown in Table 1.

Table 1

**DAVIS JOINT UNIFIED SCHOOL DISTRICT
SCHOOL BUILDING CORPORATION
Series of 1977 Bonds
Principal Maturities**

Maturity Date November 1	Principal Amount	Maturity Date November 1	Principal Amount
1980	\$200,000	1990	\$425,000
1981	225,000	1991	475,000
1982	250,000	1992	500,000
1983	250,000	1993	550,000
1984	275,000	1994	575,000
1985	300,000	1995	625,000
1986	325,000	1996	650,000
1987	350,000	1997	700,000
1988	375,000	1998	750,000
1989	400,000	1999	800,000

Redemption Provisions

The Corporation shall have the right, on any date, to redeem the Series of 1977 Bonds, as a whole, or in part by lot within each maturity then outstanding, from proceeds of insurance paid for loss or substantial damage to the Project Phase I facilities or proceeds of eminent domain proceedings, so that the annual debt series for all years after such redemption shall be as nearly equal as practical. Redemption shall be at the principal amount and accrued interest thereon to the date fixed for redemption, without premium.

Series of 1977 Bonds maturing on or before November 1, 1994, an aggregate principal amount of \$5,475,000, shall not otherwise be subject to redemption prior to their respective maturity dates.

Series of 1977 Bonds due on or after November 1, 1995, an aggregate principal amount of \$3,525,000, shall also be subject to redemption prior to their respective stated maturities, at the option of the Corporation, from any source of available funds, on any interest payment date on or after November 1, 1987.

Such Series of 1977 Bonds are callable at the principal amount plus accrued interest plus a premium of one-fourth of one per cent of such principal amount, for each year or fraction of a year from the redemption date to the maturity date of the bonds. All of such Series of 1977 Bonds may be so redeemed at any one time. If less than all of said bonds are so redeemed at any one time, such bonds shall be redeemed in inverse order of maturities and by lot within any maturity.

Trustee and Paying Agents

The United California Bank, San Francisco, California, has been appointed by the Corporation as Trustee. The Trustee will receive all of the bond proceeds and will disburse bond moneys in conformity with the Indenture. In addition to holding and administering the various funds of the Corporation, the Trustee will invest the funds held in trust and will be the recipient of the rental revenues of the Corporation relating to the Project. The Trustee will also act as Paying Agent of the Corporation, paying bond interest and principal. The Trustee will act as bond registrar and will authenticate all bonds.

Interest and principal are payable in lawful money of the United States of America at the principal office of the Trustee, United California Bank, in San Francisco, California, and in the case of coupon bonds, at the option of the holder at Manufacturers Hanover Trust Co., New York, New York, or at The Northern Trust Company in Chicago, Illinois, or at United California Bank in Los Angeles, California.

Form, Denomination, and Registration

The Series of 1977 Bonds will be issued as coupon bonds in the denomination of \$5,000, or as fully registered bonds in the denomination of \$5,000 or any multiple thereof so long as principal shall mature in only one year. Coupon bonds and fully registered bonds will be interchangeable at the office of the Trustee as provided in the Indenture.

CUSIP Numbers

It is anticipated that CUSIP numbers will be printed on the Series of 1977 Bonds, but neither failure to print such numbers on any Series of 1977 Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Series of 1977 Bonds in accordance with the terms of the purchase contract.

Litigation

There is no litigation pending concerning the validity of the Bonds, and the Corporation will furnish to the successful bidder a no-litigation certificate certifying to the foregoing at the time of the delivery of the Series of 1977 Bonds.

The present California system of levying taxes and applying funds for public school purposes has been held unconstitutional under provisions of the California Constitution by a California Superior Court in *Serrano v. Priest*.

The California Supreme Court in a decision dated December 30, 1976, affirmed the judgment of the Superior Court in Los Angeles County for the plaintiffs. The decision requires that a new system for financing California primary and secondary schools must be implemented by September 3, 1980.

The Superior Court judgment as affirmed by the California Supreme Court contains a statement that the existing public school financing system shall continue to operate until an appropriate system, not in violation of the California Constitution's Equal Protection of the Law, can be placed into effect.

Any resulting change in the sources of funds, including property taxation, applied to the support of public schools and any effect thereof on the moneys available to the District to pay rent under the Facility Lease which is the security of the Series of 1977 Bonds are not determinable at this time. However, it is not believed that the result of such litigation will affect the validity of the Facility Lease during its term, even though the result of such litigation may affect the ability of the District to levy the voted tax override.

Legal Opinion

The legal opinion of Orrick, Herrington, Rowley & Sutcliffe, San Francisco, California, bond counsel to the Corporation, approving the validity of the Series of 1977 Bonds, will be furnished to the purchasers without charge at the time of the original delivery of the Series of 1977 Bonds. A copy of the legal opinion will be printed on each bond. See the concluding paragraph of the "To Whom It May Concern" section of this Official Statement regarding the scope of bond counsel's review of this Official Statement.

Bond counsel's fee is payable from the proceeds of the bonds and is contingent upon bond delivery, except if the bonds are not issued and the project is abandoned, bond counsel will receive a fee based upon the amount of work performed to said time of abandonment.

Tax Exempt Status

In the opinion of bond counsel, the interest on the bonds will be exempt from all present Federal income taxes under existing statutes, regulations, and court decisions, and the bonds will be exempt from all present taxation in California other than inheritance, estate, gift and franchise taxes.

Legality of Investment

The Series of 1977 Bonds are eligible for security for deposits of public moneys in California.

Eligibility for National Banks

A request is being made to the Comptroller of the Currency for a ruling that the Series of 1977 Bonds of the Corporation are eligible for purchase, dealing in, underwriting and unlimited holding by national banks. The ruling is expected prior to the date of sale of the Series of 1977 Bonds.

Sale of Bonds in California

The Division of Corporation Finance of the United States Securities and Exchange Commission has issued a "no-action" letter to the Corporation stating that the Division of Corporation Finance will not recommend any action to the Securities and Exchange Commission if the proposed bond offering is made without prior compliance with the registration requirements of the Securities Act of 1933 or qualification of the Indenture under which the Series of 1977 Bonds are to be issued under the Trust Indenture Act of 1939. The Commissioner of Corporations of the State of California has issued an interpretive opinion stating that the Series of 1977 Bonds are exempt from the qualification requirement of Section 25110 of the California Corporate Securities Law of 1968. The Series of 1977 Bonds are being offered and sold without registration under the Securities Act of 1933 or qualification of the Indenture under the Trust Indenture Act of 1939, and without qualification under the California Corporate Securities Law of 1968, in reliance upon such "no-action" letter and such interpretive opinion.

Resale of Bonds in Other States

The Corporation will furnish to prospective purchasers an information memorandum covering applicability of blue-sky laws in all 50 states, the District of Columbia and Puerto Rico. The memorandum will indicate states in which no action is believed

necessary to qualify the Series of 1977 Bonds for offer and sale, states in which the Corporation is taking action to qualify the Series of 1977 Bonds for offer and sale or to obtain exemptions, and states in which additional action is believed necessary to qualify the Series of 1977 Bonds for offer and sale. The purchaser will assume responsibility for any required permits and/or filing fees in states in which additional action is believed necessary, and for complying with the laws of all jurisdictions on resale of the Series of 1977 Bonds, and shall indemnify and hold harmless the Corporation and its officers and directors from any loss or damage resulting from any failure to comply with any such law.

Purpose of Issue

The Series of 1977 Bonds are to be issued to finance the construction of the new Emerson Junior High School ("Project Phase I"), for lease to the Davis Joint Unified School District, Yolo and Solano Counties, California, as more fully described in "The Project" section of this Official Statement.

Security

The Series of 1977 Bonds will be valid, binding, and legal general obligations of the Corporation secured under the Indenture by the assignment, transfer in trust, transfer of security interest in, and pledge of the trust estate, including the following, to the United California Bank, San Francisco, California, as Trustee:

(1) The leasehold estate of the Corporation in real property under the Site Lease (Project Phase I) between the District, as lessor, and the Corporation, as lessee;

(2) All rights, title, and interest of the Corporation under the Facility Lease (Project Phase I) between the Corporation, as lessor, and the District, as lessee; and

(3) All of the revenues derived by the Corporation from the use and operation of the Project Phase I to be acquired and constructed pursuant to the Site and Facility Leases.

Series of 1977 Bonds principal and interest coming due each year will be payable from semiannual base rental payments to be made by the District for use of the Project Phase I facilities. The District's annual base rental specified in the Facility Lease will be in an amount sufficient to pay principal and interest on the Series of 1977 Bonds. Based on an estimated interest rate of 7 percent that may be

bid on the Series of 1977 Bonds, the District's annual base rental would be \$853,913. The exact amount of the semiannual base rental payment payable by the District will be established subsequent to the determination of the interest rates the Series of 1977 Bonds will bear.

Under provisions of the Facility Lease, the District will also be obligated to pay to the Corporation additional rental sufficient annually to meet administrative costs of the Corporation attributable to Series of 1977 Bonds.

Authorized District Tax Rate Increase. At an election held on June 4, 1974, voters of the District approved an increase of 57.3¢ per \$100 assessed valuation in the District's maximum annual tax rate over the period 1974/75 to 2000/2001 for the purposes of (1) preparing plans and specifications and (2) leasing the new Emerson Junior High School to be constructed for use by the District.

The District levied various tax rates in fiscal years 1974/75 through 1976/77 and will levy additionally in fiscal years 1977/78 and 1978/79 to pay on a cash basis the costs of architect fees, furniture and equipment, connection fees, site acquisition, on-site and off-site development, and various miscellaneous costs. See "The Project" section of this official statement for a detailed discussion of these pre-lease levies and their uses.

Projected Revenue Base. The District's estimated annual base rental payable to the Corporation in semiannual installments beginning April 15, 1980 is estimated at \$853,913 assuming an interest rate of 7% is bid on the Series of 1977 Bonds. The money derived from the District's lease authorization tax levied in fiscal year 1979/80 will be used for the April 15, 1980 and October 15, 1980 lease payments. The money derived from subsequent fiscal year lease authorization taxes will be used for subsequent April 15 and October 15 lease payments up to and including October 15, 1999 in an amount sufficient to pay base rental obligations, and additional rental obligations pursuant to the Facility Lease (Project Phase I).

Over the five-year period 1972/73 through 1976/77, the District's assessed valuation for revenue purposes increased from \$85,639,861 to \$156,362,076, or at an annual average increase of approximately \$17,680,000. If the District's assessed valuation for revenue purposes should increase at the rate of approximately 50 per cent of the annual aver-

age increase experienced over the five-year period 1972/73 through 1976/77 (\$8,840,000), the District's projected assessed valuation for revenue purposes for the five-year period beginning in 1979/80 (the first year in which the lease authorization tax will be levied to pay Project Phase I rental obligations) would be shown in the tabulation below. The 1976/77 assessed valuation of \$156,362,076, is used as the base year for computing the tabulation below.

Fiscal Year	Projected Assessed Valuation for Revenue Purposes \$(1,000)①
1979/80	\$182,882
1980/81	191,722
1981/82	200,562
1982/83	209,402
1983/84	218,242

① Based on an increase from 1976/77 assessed valuation for revenue purposes at the annual rate of \$8,840,000, or approximately 50% of the average annual increase in assessed valuation for revenue purposes experienced by the District from 1972/73 to 1976/77.

Projected Project Phase I Rental Tax Rate. As previously stated, the District is empowered to levy the lease authorization tax at a rate not to exceed 57.3¢ per \$100 assessed valuation over the period 1974/75 to 2000/2001. It is estimated that the annual rental for Project Phase I facilities will be \$863,913 consisting of \$853,913 base rental plus \$10,000 additional rental.

Based on the 1976/77 assessed valuation of \$156,362,076 as supplied by the Yolo County Auditor, the authorized 57.3¢ per \$100 assessed valuation tax rate increase will provide \$878,035; or approximately \$14,122 more than the \$863,913 total rental needed based on an estimated 7% bid on the Series of 1977 Bonds and a tax delinquency of 2% (three-year average of 1.57%). The District will actually levy for rental payments beginning in fiscal year 1979/80 as provided in the facility lease.

The tabulation on page 9 presents the estimated portion of the 57.3¢ per \$100 assessed valuation lease authorization tax which would be required to generate funds to meet annual estimated rental payment for Project Phase I facilities. The District will levy for rental payments beginning in fiscal year 1979/80.

Fiscal Year	Projected Revenue Base ^① (\$1,000's)	Project Phase I Estimated Annual Rent ^②	Estimated Tax Rate per \$100 Revenue Base ^③
1979/80 ...	\$182,882	\$863,913	48.1¢
1980/81 ...	191,722	863,913	46.0
1981/82 ...	200,562	863,913	44.0
1982/83 ...	209,402	863,913	42.1
1983/84 ...	219,242	863,913	40.2

① Based on an increase from 1976/77 assessed valuation of \$156,362,076 at the annual rate of \$8,840,000 or approximately 50% of the average annual increase in revenue base experienced by District from 1972/73 to 1976/77.

② Based on estimated interest rate of 7% on the Series of 1977 Bonds and additional rent of \$10,000 per year.

③ Includes a tax delinquency of 2% (three year average 1.57%).

The estimated rental is based on the following assumptions: (1) actual Project Phase I construction costs as bid, (2) an estimated bid of 7 percent per annum interest rate on Bonds issued to finance the construction of Project Phase I school facilities, (3) funded interest during and for 11 months beyond the expected completion date of the Emerson Junior High School, and (4) the funding of a bond service reserve equal to estimated one-half maximum annual debt service.

Additional Series of Bonds

The Corporation does not, at this time, plan to issue additional series of bonds. Additional parity bonds may be issued under and subject to the terms of the Indenture and would be equally and ratably secured under the Indenture with the Series of 1977 Bonds.

The Indenture

The following summary of major provisions of the Indenture under which the Series of 1977 Bonds will be secured is presented below. The summary does not provide a complete and detailed description of all provisions of the Indenture and prospective purchasers of the Series of 1977 Bonds are referred to the proposed form of Indenture contained in the Basic Legal Documents accompanying this Official Statement.

The Trustee. United California Bank, San Francisco, California has been appointed by the Corporation as Trustee. The Trustee will receive all of the

bond proceeds and revenues of the Corporation for disbursement in conformity with the Indenture. In addition to administering the various funds of the Corporation, the Trustee will invest all funds held in trust, act as paying agent for the Corporation's Series of 1977 Bonds and act as bond registrar.

Creation of Special Funds. The Indenture provides for the establishment of special trust funds, all to be held and administered by the Trustee. The funds applicable to the Series of 1977 Bonds and any additional series of bonds together with their sources and uses are summarized in the tabulation on page 10. Moneys held in the various funds may be invested by the Trustee under the provisions of Section 4.04 of the Indenture.

Disposition of Bond Proceeds. The Indenture provides that the proceeds from the sale of the Series of 1977 Bonds shall be deposited with the Trustee. The Trustee will then make the following deposits:

(1) *Interest and Redemption Fund.* An amount sufficient to pay the interest accruing on the Series of 1977 Bonds on and before November 1, 1979.

(2) *Corporate Operation Fund.* The sum of \$10,000 which is to be maintained as working capital to pay Corporation administrative expenses, Trustee's fees, or other necessary administrative expenses.

(3) *Reserve Fund.* A sum equal to one-half maximum annual debt service on the Series of 1977 Bonds.

(4) *Construction Fund.* The balance of proceeds from the sale of Series of 1977 Bonds shall be applied to the payment of costs of Project Phase 1. When Project Phase I has been completed, a certificate of the Corporation stating the fact and date of such completion, together with the Architect's certificate stating the fact and date of such completion, shall be delivered to the Trustee by the Corporation. With the receipt of these certificates the Trustee shall transfer any remaining balance not needed for Project Phase I purposes to the Revenue Fund.

Revenue Fund. All base rental revenue shall be paid to the Trustee and deposited by the Trustee to the credit of the Revenue Fund. Moneys in the Revenue Fund shall be disbursed, applied, or set aside by the Trustee in the following order of priority:

(1) *Interest and Redemption Fund.* Commencing on or before April 30, 1980, and on or before

April 30 and October 30 of each year thereafter, an amount equal to the aggregate half-yearly amount of interest becoming due and payable on the outstanding Bonds on the next succeeding interest payment date (less any available balances in said fund) plus an amount equal to one-half of the aggregate amount of principal becoming due and payable on the outstanding Bonds on the next succeeding Bond maturity date.

(2) *Operation and Maintenance Fund.* If the Corporation shall at any time operate the Project, on or before each April 30 and each October 30 the Trustee shall deposit an amount needed to provide for payment of all costs of operation and maintenance during the next six months.

(3) *Reserve Fund.* A Reserve Fund equal to one-half maximum annual bond service will be created from the proceeds of the Series of 1977 Bonds and held by the Trustee. Moneys in this Fund shall be used to pay bond principal and interest in the event no other funds are available, or for the retirement or redemption of all the Bonds then outstanding. Moneys in this Fund in excess of one-half of maximum annual debt service shall be paid to the District, unless needed to be held for subsequent debt service.

Moneys in the Reserve Fund and Interest and Redemption Fund may be used by the Trustee to reimburse the District for any rental payable under the Facility Lease for a period during which rental is abated and for which no other moneys (including proceeds of the rental interruption or use and occupancy insurance) are available.

Corporate Operation Fund. The Trustee shall deposit in the Corporate Operation Fund from time to time all amounts received in the form of additional rental sufficient to maintain a balance of \$10,000, said moneys to be used to pay all administrative costs of the Corporation.

Investment of Funds. Any moneys in any of the funds may be invested in time deposits (including certificates of deposit) of banks or in Federal Securities, subject to limitations as set forth in the Indenture.

Moneys in the Revenue Fund may be invested in obligations which will mature within six months from the date of investment. Moneys in the Interest and Redemption Fund may be invested in obligations which will, as nearly as practicable, mature on or before the respective semiannual interest payment dates or annual Bond maturity dates on which such

TRUST FUNDS

Fund	Principal Source	Use
Construction Fund (Section 3.03)	Bond Proceeds	Construction, and incidental expenses of bond issuance and delivery.
Revenue Fund (Section 4.01)	District Base Rental Payments	Transfers to Interest and Redemption Fund; Operation and Maintenance Fund, if needed; Reserve Fund, if needed; and Corporate Operation Fund.
Interest and Redemption Fund (Section 4.02(a))	Transfers from Revenue Fund	Bond interest and principal payments.
Operation and Maintenance Fund (Section 4.02(b))	Transfers from Revenue Fund	To meet costs of operation and maintenance if at any time the Corporation shall operate and maintain the Project.
Reserve Fund (Section 4.02(c))	Bond Proceeds and, if depleted, Revenue Fund	Bond principal and interest; payment of final maturities.
Corporate Operation Fund (Section 4.03)	Bond Proceeds, District Additional Rental Payments	Corporate operating expenses.

moneys will be needed for the payment of interest on or the retirement of bonds.

Moneys in the Construction Fund and the Corporate Operation Fund may be invested in obligations which will mature within one year from the date of investment. Moneys in the Reserve Fund may be invested in obligations which will mature not later than the final maturity date of any outstanding Bonds.

All interest earned on any such investment shall become part of the fund on which earned, except that such interest earnings received or accrued on Interest and Redemption Fund and Reserve Fund moneys during construction of any phase of the Project shall be transferred to the Construction Fund.

Additional Series of Bonds. Although the Corporation does not plan, at this time, to issue additional series of Bonds, Section 3.04 of the Indenture permits the issuance of one or more additional series of parity bonds by supplemental indenture(s) subject to, among other things, the following conditions:

(1) The Corporation shall not be in default under provisions of the Indenture;

(2) The supplemental indenture shall require that the additional series of bonds will be issued for the purposes of acquiring or constructing additional public school facilities for the District, or the making of additions, improvements, or extensions to the Project;

(3) The additional series of bonds shall have no priority over the Series of 1977 Bonds;

(4) The Corporation must enter into a new or amended Facility Lease with the District in which the District obligates itself to increase the base rental under all Facility Leases in amounts sufficient to provide for the payment of the principal of and interest on the additional series of bonds when due;

(5) Provision must be made to increase the Reserve Fund to an amount equal to at least one half maximum annual bond service on all series of bonds to be outstanding thereafter.

Additional series of bonds may also be issued with the consent of the holders of 60 per cent of outstanding bonds.

Title Insurance. A policy of title insurance insuring either the leasehold interest title of the Corporation in the real property described in the Site Lease or the title of the District in such real property will be provided at or prior to delivery of the Series

of 1977 Bonds. Said policy will be enforceable for the benefit of the bondholders in the principal amount of the Series of 1977 Bonds.

Fire and Extended Coverage Insurance. While any of the Bonds are outstanding, the Corporation shall cause to be maintained insurance against loss or damage to any structures constituting part of the Project by fire and lightning with extended coverage and vandalism and malicious mischief insurance. Such insurance shall either (1) be in an amount equal to the replacement cost of the structures subject to the deductible clauses of not to exceed \$50,000, or (2) be in an amount and in form sufficient to enable the Corporation either to retire all Bonds then outstanding or to restore the structures to the condition existing before such loss.

Earthquake Insurance. Upon completion of any part of the Project, the Corporation shall procure and maintain earthquake insurance in an amount equal to the replacement cost of the structures, provided coverage is available at reasonable cost on the open market from reputable insurance companies. Such insurance may be subject to a deductible clause of not to exceed 10% of said replacement cost for any one loss. The construction contract provides that the contractor shall provide earthquake insurance subject to a 10% deductible during construction. Alternatively, the Corporation may provide earthquake insurance in an amount and form to enable the Corporation either to retire all bonds then outstanding or to restore the structures to the condition existing before such loss.

Use and Occupancy Insurance. While any of the Bonds are outstanding, the Corporation shall cause to be maintained use and occupancy or rental interruption insurance to cover total or partial loss of rental income from any structure constituting the Project facilities resulting from damages discussed in the "Fire and Extended Coverage Insurance" and "Earthquake Insurance" paragraphs above in an amount sufficient to pay the total rental due for the period of time allowed for the construction of the structures by the construction contractors plus three months, except that such insurance need be maintained as to the peril of earthquake only following completion of construction and only if available at reasonable cost on the open market from reputable insurance companies.

Public Liability Insurance. While any of the Bonds are outstanding the Corporation shall cause

to be maintained public liability insurance. Minimum liability limits for such insurance are \$1,000,000 for personal injury or death of one person; \$3,000,000 for personal injury or death of two or more persons in each event; and \$200,000 subject to a deductible clause not to exceed \$5,000, for property damage from each event. Such public liability and property damage insurance may however be in the form of a single limit policy in the amount of \$3,000,000 covering all such risks.

Eminent Domain. If all or any part of the trust estate shall be taken by eminent domain proceedings, or sold under threat thereof, the proceeds therefrom shall be deposited with the Trustee and applied and disbursed as follows: (a) to be treated as revenues of the Project if the Project's operation has not been materially affected or the Corporation's ability to meet its obligations has not been impaired; or the proceeds shall be used if needed for repair or rehabilitation of the Project; (b) to be used to redeem Bonds if less than all of the Project shall have been taken by eminent domain and if the Project's operation has been materially affected, or the Corporation's ability to meet its obligations has been impaired; and (c) if all of the Project shall have been taken by eminent domain, the proceeds therefrom and any other available monies shall be used to redeem Bonds. If said monies are insufficient the Trustee shall first apply the proceeds to meet the Trustee's costs of administration of its trusts under the Indenture and then to payment of principal and interest on the Bonds then outstanding, in full or ratably without preference or priority.

Non-Liability of Individuals. No recourse shall be had for the payment of the principal of or the interest on the Bonds or for any claim based thereon

or otherwise in respect thereof, or based on or in respect of the Indenture or any indenture supplemental thereto, against any incorporator, member, director or officer, as such, past, present or future, of the Corporation or of any predecessor or successor corporation, either directly or through the Corporation or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being the acceptance of the Bonds and as part of the consideration for the issue thereof expressly waived and released, as provided in the Indenture.

Additional Covenants. The Indenture contains other covenants, including but not limited to the following whereby the Corporation agrees to:

- (1) Punctually pay the principal and interest on the Bonds as they become due;
- (2) Promptly collect all rents and charges due for the occupancy or use of the Project and to enforce its rights against any tenant who does not pay such rents and charges as they become due;
- (3) Maintain, or cause to be maintained, proper books of record and account;
- (4) Maintain, or cause to be maintained, in good condition and repair the Project facilities;
- (5) Construct and complete Project Phase I in conformity with the construction contracts (under the construction contracts 100% performance bonds and 100% labor and materialmen's bonds will be required of the contractors);
- (6) Pay, discharge, or contest any taxes, assessments, or other charges upon the Project or the revenues.

Estimated Annual Bond Service

Table 2 shows estimated annual bond service on the Corporation's Series of 1977 Bonds based on a 7% interest rate that may be bid on the Series of 1977 Bonds.

Table 2

DAVIS JOINT UNIFIED SCHOOL DISTRICT SCHOOL BUILDING CORPORATION

\$9,000,000 Principal Amount Series 1977 Bonds

Estimated Annual Bond Service

Year Ending November 1	Principal Outstanding November 1	Interest May 1 at 7%	Interest November 1 at 7%	Principal Maturing November 1	Estimated Total Bond Service
1978	\$9,000,000	\$ 630,000 ^①	\$ 315,000 ^①	—	\$ 945,000
1979	9,000,000	315,000 ^①	315,000 ^①	—	630,000
1980	9,000,000	315,000	315,000	\$ 200,000	830,000
1981	8,800,000	308,000	308,000	225,000	841,000
1982	8,575,000	300,125	300,125	250,000	850,250
1983	8,325,000	291,375	291,375	250,000	832,750
1984	8,075,000	282,625	282,625	275,000	840,250
1985	7,800,000	273,000	273,000	300,000	846,000
1986	7,500,000	262,500	262,500	325,000	850,000
1987	7,175,000	251,125	251,125	350,000	852,250
1988	6,825,000	238,875	238,875	375,000	852,750
1989	6,450,000	225,750	225,750	400,000	851,500
1990	6,050,000	211,750	211,750	425,000	848,500
1991	5,625,000	196,875	196,875	475,000	868,750
1992	5,150,000	180,250	180,250	500,000	860,500
1993	4,650,000	162,750	162,750	550,000	875,500
1994	4,100,000	143,500	143,500	575,000	862,000
1995	3,525,000	123,375	123,375	625,000 ^②	871,750
1996	2,900,000	101,500	101,500	650,000 ^②	853,000
1997	2,250,000	78,750	78,750	700,000 ^②	857,500
1998	1,550,000	54,250	54,250	750,000 ^②	858,500
1999	800,000	28,000	28,000	800,000 ^②	856,000
TOTAL		\$4,974,375	\$4,659,375	\$9,000,000	\$18,633,750

① Funded from Bond Proceeds.

② Callable on or after November 1, 1987.

Source: Stone & Youngberg Municipal Financing Consultants, Inc.

THE PROJECT

Proposed Facilities

Proceeds from the sale of \$9,000,000 Series of 1977 Bonds currently being offered for sale by the Davis Joint Unified School District School Building Corporation will be used to finance the construction of the Ralph Waldo Emerson Junior High School on a district owned site. Construction will include flexible classroom space as well as areas for science, fine arts, practical arts, physical education, administrative functions and multi-purpose-community functions.

The site is planned to accommodate athletic fields, a 400-meter running track, hardcourts, pedestrian ways, bicycle paths, vehicular parking and other recreational facilities. Landscaping, irrigation, hard-court and running track development is anticipated to be accomplished under a separate construction contract which will be funded by the District's pre-lease levy program (See "Project Implementation" section).

The project design was developed in compliance with proposed California State Energy Conservation Standards for non-residential buildings.

Project Implementation

On April 29, 1977 the School Building Corporation received sealed competitive bids for construction of the Emerson Junior High School. The low bid with alternates was submitted by Robert G. Fisher Co., Inc. of Fresno, California.

Upon delivery of the Bonds, the Corporation will enter into a construction contract for \$6,567,000 with Robert G. Fisher Co., Inc. for construction of the above described facilities. The Office of State Architect will have approved the plans and specifications for the Project Phase I facilities and certified their conformance to fire, safety, and earthquake structural safety standards prior to the delivery of the Series of 1977 Bonds. Completion of all facilities is expected by mid-December of 1978.

A labor and materials bond of 100% of the contract amount and a performance bond of 100% of

the contract amount is required of the contractor. The contractor is also required by the construction contract to carry fire, lightning, vandalism, malicious mischief, and extended coverage, public liability and property damage, and workmens' compensation insurance during the construction period and until the buildings have been accepted by the District and the Corporation. The contractor is also required to maintain earthquake insurance during the construction period, against loss or damage by earthquake in an amount not less than the full insurable value of the properties, subject to a 10% deductible clause for any loss.

The District has levied a pre-lease tax in the 1974/75, 1975/76 and 1976/77 fiscal years to pay on a cash basis some project costs. These pre-lease tax levies have produced approximately \$1,571,332. The District expects to levy the pre-lease tax in 1977/78 and 1978/79 to fund additional project costs amounting to approximately \$1,760,000. These pre-lease levies total \$3,331,332. The anticipated expenditures from pre-lease monies follow:

DISTRICT 1974/75-1978/79

Pre-Lease Levies^①

Expenditures	Estimated Cost
Appraisals	\$ 5,000
Site Cost	255,000
Surveys and Environmental Impact Report	15,000
Preliminary Testing	7,000
Off-Site Engineering	25,000
Off-Site Construction	475,000
Off-Site Inspection	5,000
Architectural Fees	700,000
State Plan Check Fees	28,000
Bid Documents and Advertising	6,000
Construction Inspection	50,000
Construction Testing	50,000
Staff and Consultant Costs	50,000
Legal Costs	45,000
Furniture and Equipment	350,000
Construction Cost Items	750,000
Contingencies	515,332
Total Estimated Costs	\$3,331,332

① \$1,571,332 of pre-lease levies have been received by the District. The estimated remaining \$1,760,000 will be collected in 1977/78 and 1978/79 pre-lease levies.

The following provides the remaining construction costs of the Project Phase I and bond issue requirements.

DAVIS JOINT UNIFIED SCHOOL DISTRICT	
SCHOOL BUILDING CORPORATION	
EMERSON JUNIOR HIGH SCHOOL	
Project Costs and Bond Issue Requirements	
Construction	\$6,567,000
Construction Contingency at 7%	460,000
Costs of Bond Issuance	125,000
Corporation Operation Fund	10,000
Subtotal	\$7,162,000
Add: Funded interest at 7% for 30 months	1,575,000
Bond Service Reserve (one-half maximum annual bond service)	437,750
Total Project Costs	\$9,174,750
Less: Investment of Bond Proceeds During Construction at 4 percent	\$ 174,750
Bond Issue	\$9,000,000

DISTRICT ORGANIZATION AND FINANCIAL DATA

The information contained herein concerning the Davis Joint Unified School District is included because the District is the proposed lessee of Project Phase I. However, the Series of 1977 Bonds are bonds of the Corporation and are not a debt or obligation of the District.

The Davis Joint Unified School District provides educational services from kindergarten through high school to residents of an area encompassing 130 square miles that includes the City of Davis and contiguous unincorporated areas in Yolo County, and a small portion of Solano County.

The District has functioned continuously as a school district under the laws of the State of California since its formation on July 1, 1962.

The District is governed by an independent Board of Education who are elected at large for four-year terms overlapping two-year periods. The District's affairs are administered by the Superintendent, who is appointed by the Board of Education. Dr. Daniel L. Predovich was appointed to this post on December 1, 1975 for a four-year term. Dr. Predovich has 26 years of experience in education.

Facilities and Attendance

District facilities include seven elementary schools, one junior high school, one high school, and one continuation high school. The District's staff includes 244 certificated, 89 classified, 20 administrative personnel, and 219 part-time employees, of whom 65 are certificated. Actual District enrollment as of December 31, 1976 was 5,759.

Table 3 shows District assessed valuations, average daily attendance, and assessed valuation per student in average daily attendance over the past five years. During this five-year period, the District's assessed valuation increased approximately 82.6 percent and assessed valuations per unit of average daily attendance increased approximately 72.4 percent. Average daily attendance over the past five years has increased 5.9 percent, from 5,617 in 1972/73 to an estimated 5,949 in 1976/77.

Table 3

DAVIS JOINT UNIFIED SCHOOL DISTRICT

Assessed Valuation and Average Daily Attendance

Fiscal Year	Assessed Valuation ^①	Average Daily Attendance	Assessed Valuation Per Unit of Average Daily Attendance
1972/73	\$ 85,639,861	5,617	\$15,247
1973/74	95,927,968	5,841	16,423
1974/75	102,672,415	5,935	17,299
1975/76	118,154,312	6,036	19,575
1976/77	156,362,076	5,949 ^②	26,284

^① Includes state-reimbursed exemptions.

^② Estimated during the period September 1976 through June 1977.

Source: Davis Joint Unified School District, average daily attendance; Yolo County auditor-controller, assessed valuations.

Assessed Valuations

Yolo County and Solano County Assessors assess District property for tax purposes. The State Board of Equalization reports that 1976/77 valuations in Yolo County average 26.9 percent of full market value, and Solano County valuations average 22.4 percent of full value. Public utility property in both counties is assessed by the State Board of Equalization at 25 percent of full cash value.

Under California State Law, two types of exemptions of property from ad valorem taxes became effective in the 1969/70 fiscal year. One exempts 50 percent of the value of business inventories from ad valorem taxes. The other provides for an exemption of \$1,750 of the assessed valuation of an owner-occupied dwelling if the owner files for the exemption. Under a Constitutional Amendment, the

California legislature can raise this exemption. Revenue estimated to be lost to each taxing entity as a result of such exemptions is reimbursed to the taxing entity from state funds. The reimbursement is based upon total taxes which would be due on the assessed valuation of the property qualifying for these exemptions, with allowance for delinquencies. Table 4 presents the District's 1976/77 assessed valuation by tax roll, before and after these two exemptions. More than 99 percent of the District's total assessed valuation is in Yolo County.

Revenue Limitations

Since 1973/74, California school districts have operated under general purpose property tax revenue limitations established in legislation adopted in 1973. Since 1973 allowable annual tax rates to be applied to a district's assessed valuation have been derived from a statutory formula which takes into account a number of factors including adjustments for inflation, limited mandatory contributions to the Teachers' Retirement System, basic state aid, state

Table 4
DAVIS JOINT UNIFIED SCHOOL DISTRICT
1976/77 Assessed Valuation

Tax Roll	Taxable Assessed Valuation	Homeowners Exemptions	Business Inventory Exemptions	Assessed Valuation For Revenue Purposes
Secured	\$129,989,444	\$9,202,550	\$3,298,261	\$142,490,255
Utility	7,794,640	—	—	7,794,640
Unsecured	5,063,336	1,750	1,012,095	6,077,181
Total	\$142,847,420	\$9,204,300	\$4,310,356	\$156,362,076 ^①

^① \$952,335 in Solano County, as follows: Secured \$711,335, Unsecured \$17,200, Utility \$223,800.

Source: Yolo County Auditor-Controller.

Table 5 shows a history of the District's assessed valuation for the five previous years by tax roll prior to deductions for the two previously discussed special exemptions.

Table 5
DAVIS JOINT UNIFIED SCHOOL DISTRICT
Assessed Valuation 1971/72-1975/76^①

Tax Roll	1971/72	1972/73	1973/74	1974/75	1975/76
Secured	\$65,763,211	\$74,952,656	\$84,738,711	\$91,558,385	\$105,578,680
Utility	5,732,940	5,888,710	6,007,750	6,333,910	6,759,160
Unsecured	4,631,662	4,798,495	5,181,507	4,780,120	5,816,472
Total	\$76,127,813	\$85,639,861	\$95,927,968	\$102,672,415	\$118,154,312

^① For each year, less than one percent of total assessed valuation is in Solano County.

Source: Yolo County Auditor-Controller.

equalization aid, changes in average daily attendance, and prior years' tax collections. The tax required to raise the general purpose monies is the District's maximum general purpose tax rate (see Table 6).

The District's revenue limit per unit of average daily attendance and general purpose tax rate actually levied in 1975/76 were \$1,184.94 and \$4.931 per \$100 assessed valuation, respectively.

In 1976/77, the revenue limit per unit of average daily attendance is \$1,286.38 with a general purpose tax rate of \$4.386 per \$100 of assessed valuation.

Tax Rates

Table 6 shows the Davis Joint Unified School District tax rate for the past four-year period. The District's total tax rate during this period ranged from \$6.728 to \$5.676.

There are 43 tax code areas in the District. In the 1976/77 tax year, total tax rates in these various tax code areas range from \$9.772 to \$12.920 per \$100 of assessed valuation. Tax Code Area 01-000 (AV \$55,086,739) in the City of Davis, and Tax Code Area 61-019 (AV \$3,028,314), largest code area in unincorporated jurisdictions, together account for over 37 percent of the District's total 1976/77 assessed valuation. All 1976/77 tax rates in these two code areas are shown above.

Representative 1976/77 Tax Rates

Selected Tax Code Areas

Tax Agency	01-000 (City of Davis)	61-019 (Unincor- porated)
County of Yolo	\$ 2.580	\$ 2.580
County Library .....	.160	.160
City of Davis	2.579	—
Davis JUSD, Maintenance and Operation	5.206	5.206
Davis JUSD, Debt Service ..	.470	.470
Los Rios Community College District, Maintenance and Operation .....	.652	.652
Los Rios Community College District, Debt Service ....	.025	.025
County School Service Fund	.359	.359
Davis Cemetery District ....	.040	.040
Flood Control .....	.250	.100
Mosquito Abatement .....	.055	.055
Road District No. 2	—	.200
East Davis Fire District	—	.690
El Macero County Service Area	—	.550
Total	\$12.376	\$11.087

Source: Yolo County Auditor-Controller.

Table 6

DAVIS JOINT UNIFIED SCHOOL DISTRICT

Tax Rate Distribution by Purpose

Purpose	1973/74	1974/75	1975/76	1976/77
General Purpose	\$5.399	\$5.353	\$4.931	\$4.386
Meals for Needy Pupils .....	.006	.005	.004	.050
Community Services .....	.072	.099	.100	.100
Adult Education	—	—	—	.106
Earthquake Protection .....	.100	.100	—	—
General Fund	\$5.577	\$5.557	\$5.035	\$4.642
Bond Service .....	.760	.720	.520	.470
Child Development .....	.030	.069	.033	.067
Lease Purchase ^①	—	.382	.354	.497
Total	\$6.367	\$6.728	\$5.942	\$5.676

^① Tax rate increase levied to fund on a cash basis some costs attributable to Project Phase I (see Project Section of this Official Statement).

Source: Davis Joint Unified School District.

Tax Levies, Collections, and Delinquencies

School district secured taxes appear on the same tax bill as County and City taxes, are payable in equal installments on November 1 and February 1, and become delinquent on December 10 and April 10, respectively. Taxes on properties appearing on the unsecured roll are assessed on March 1 and become delinquent the following August 31. Table 7

summarizes the general purpose secured tax levies and the amount and percentage of the levy delinquent as of June 30 for the past four fiscal years in the District's tax code areas. During this period the rate of current year tax delinquency averaged 1.67 per cent.

Table 7

DAVIS JOINT UNIFIED SCHOOL DISTRICT Secured Tax Collections and Delinquencies

Year Ending June 30	Secured Tax Levy	Amount Collected	Amount Delinquent	Percent Delinquent
1973	\$4,262,007	\$4,177,865	\$84,142	1.97%
1974	4,562,459	4,473,035	89,424	1.96
1975	5,283,861	5,193,990	89,871	1.70
1976	5,482,909	5,425,715	57,194	1.04

Source: Yolo County Auditor-Controller.

Large Taxpayers

Largest taxpayer in the District is Hunt-Wesson Foods, Inc., a subsidiary of Norton Simon Inc. of Fullerton, California. Hunt-Wesson Foods is engaged in fruit and vegetable packing, specialty food products, and vegetable oil refining and bottling. The Davis plant, with employment ranging from

150 to a seasonal high of 1,200 workers, cans tomatoes and peaches.

The ten largest taxpayers in the District are listed below, as reported by the Yolo County Assessor.

Taxpayer	Product/Service	1976/77 Assessed Valuation
Hunt-Wesson Foods, Inc.	Food processing	\$8,261,525
Pacific Gas and Electric Co.	Utility	3,395,240
Powell, Robert C. and Jeannette	Apartments	2,865,000
Vanguard Investments	Apartments	1,517,500
Anderson Farms Co.	Farming	1,334,950
Colby, Peggy G. and Thornton Glide	Farming	983,795
Youmans, Julian and Nancy	Apartments	940,750
Armco Steel Corp.	Steel piping	820,670
Pacific Standard Life Ins. Co.	Insurance	538,450
SBR Associates	Shopping Center	505,000

General Fund Income and Expenditures

Table 8 presents a five-year summary of income and expenditures of the Davis Joint Unified School District as reported in annual audits and financial

reports of the District. Also included in Table 8 are the annual revised expenditure budgets and the variation of these budgets to actual expenditures.

Table 8

DAVIS JOINT UNIFIED SCHOOL DISTRICT

Summary of General Fund Income and Expenditures

	1971/72	1972/73	1973/74	1974/75	1975/76
Beginning Balance July 1	\$ 330,573	\$ 449,398	\$ 524,155	\$ 640,754	\$ 376,902
Adjustment to Beginning Balance	13,880	(9,332)	75,646	6,377	19,185
Net Beginning Balance	\$ 344,453	\$ 440,066	\$ 599,801	\$ 647,131	\$ 396,087
Income:					
Federal Sources	\$ 87,819	\$ 67,097	\$ 155,455	\$ 146,931	\$ 237,111
State Sources	1,525,280	1,582,515	2,112,592	2,435,248	2,625,739
County Sources	42,454	67,443	46,577	44,833	15,649
Local Sources	4,112,149	4,552,768	4,998,610	5,301,725	5,601,276
Incoming Transfers	3,000	6,726	22,513	5,042	49,270
Subtotal	\$5,770,702	\$6,276,549	\$7,335,747	\$7,933,779	\$8,529,045
Total Funds Available	\$6,115,155	\$6,716,615	\$7,935,548	\$8,580,910	\$8,925,132
Expenditures:①					
Certificated Salaries		\$4,231,847	\$4,804,669	\$5,364,717	\$5,585,619
Classified Salaries		809,705	999,588	1,092,359	1,279,571
Employee Benefits		367,671	455,033	575,602	700,603
Books, Supplies, Equipment Replacement		426,035	526,017	476,315	520,584
Contracted Services		281,676	316,901	373,401	527,411
Administration	\$ 137,147				
Instruction	4,338,948				
Health Services	28,975				
Pupil Transportation	72,065				
Operation of Plant	447,786				
Maintenance of Plant	191,211				
Fixed Charges	314,081				
Food Services	12,207				
Community Services	53,020				
Capital Outlay	62,810	67,240	170,705	117,092	69,243
Outgoing Transfers	7,507	8,286	21,881	204,522	18,808
Total Expenditures	\$5,665,757	\$6,192,460	\$7,294,794	\$8,204,008	\$8,701,839
Revised Budget Expenditures	5,826,189	6,285,948	7,514,402	8,081,294	8,903,134
Variance to Actual Expenditures	160,432	93,488	219,608	(122,714)	201,295
Ending Balance June 30	\$ 449,398	\$ 524,155	\$ 640,754	\$ 376,902	\$ 223,293

① Beginning in 1974/75 all school districts in the State of California were required to follow accounting and financial reporting procedures in accordance with revenue source categories and classification object code prescribed by the California State Accounting Manual. Certain expenditure items prior to 1974/75 cannot, therefore, be directly compared with subsequent years.

Source: District audit reports for individual years.

The tabulations in Table 9 show a summary of the District's 1975/76 actual income and expenditures as shown in the annual audit report, and a summary of the District's 1976/77 general fund budget.

Table 9
DAVIS JOINT UNIFIED SCHOOL DISTRICT
General Fund Income and Expenditures

	1975/76 Actual	1976/77 Budget
Income		
Adjusted Net Beginning		
Balance	\$ 396,087	\$ 223,293
Federal Income	237,111	139,995
State Income	2,625,739	1,796,809
County Income	15,649	13,000
Local Income①	5,650,546	7,571,420
Total Available		
Funds	\$8,925,132	\$9,744,517
Expenditures		
Certificated Salaries	\$5,585,619	\$5,542,491
Classified Salaries	1,279,571	1,386,445
Employee Benefits	700,603	761,968
Books, Supplies and		
Equipment Replace-		
ment	520,584	607,797
Contracted Services and		
Other Operating		
Expenses	527,411	743,565
Sites, Buildings, Books,		
Media and New		
Equipment	69,243	159,489
Outgoing Transfers	18,808	189,717
Appropriation for		
Contingencies		328,045
Total Expenditures .	\$8,701,839	\$9,719,517
Ending Balance	\$ 223,293	\$ 25,000②

① Includes Incoming Transfers.

② Unappropriated Fund Balance.

Source: Annual Budget Report (Form J-41), July 1, 1976 to June 30, 1977, adopted by the governing board of Davis Joint Unified School District on August 5, 1976.

Fund Balances

A summary of the District's fund balances as of June 30 for each of the past four years is presented on page 22.

Employer-Employee Relations

Certificated, non-supervisory personnel of the Davis Joint Unified School District are represented by the Davis Teachers Association, an affiliate of the California Teachers Association and the National Education Association. Classified personnel are represented by the California School Employees Association, CSEA Chapter No. 572.

A master contract for the 1977/78 school year covering certificated personnel is presently in negotiation. Discussions concerning a similar contract for classified personnel are scheduled.

Effective July 1, 1976, provisions of the Rodda Act codified as Chapter 961 of the 1975 Statutes affected all school districts in California. In case of labor disputes, local grievance procedures may be operative (if established by contract), or both parties may agree to submit grievances to final and binding arbitration pursuant to rules adopted by the Educational Employment Relations Board, which administers the Act. The Act's provisions with respect to the rights, obligations, and unfair practices applicable to management and labor became effective April 1, 1976.

Pension Plans

The District participates in the State of California Teachers' Retirement System (STRS). This plan covers basically all full-time certificated employees. The District's contribution to STRS for fiscal year 1976/77 amounts to an estimated \$323,862, which includes both current costs and backfunding.

The District also participates in the State of California Public Employees' Retirement System (PERS). This plan covers all classified personnel who are employed at least 50 per cent of the work-week. The District's contribution to PERS for 1976/77 is estimated at \$100,734, including current costs and backfunding.

Both systems are operated on a statewide basis. Records are maintained in such a way that information relating to vested benefits, unfunded vested benefits, and prior service costs are not available for the District.

The State Teachers' Retirement System. This System is administered by the State of California with contributions from both employees and employers. The State of California also contributes \$135,000,000 annually until the year 2002, subject to annual legislative appropriation. The present value of

FUND BALANCES AS OF JUNE 30

Name of Fund	1972/73	1973/74	1974/75	1975/76
General Fund①	\$524,155	\$ 640,754	\$376,902	\$223,293
Interest and Redemption Fund	354,783	470,366	655,073	560,399
Building Fund	669,473	1,187,060	814,189	660,846
Special Reserve Fund②	—	—	196,025	212,730
Lease/Purchase Fund③	—	—	278,644	663,205
Child Development Fund	16,743	20,878	53,316	47,460
Cafeteria Fund	495	701	9,114	1,898

① \$2,110 restricted to meals for needy pupils and community services.

② Established in April 1975 for Earthquake Corrective Measures.

③ Established in 1974/75 for capital outlay items related to replacement of Emerson Junior High School (Project Phase I Pre-Lease).

Source: District audit reports.

these future State contributions was carried at \$1,747,624,637 on June 30, 1975.

The actuarial method used is a projected benefit cost method where level normal rates sufficient to fund benefits over the entire service life of members are computed. The contribution rates are established to fund current service and interest on the unfunded liabilities not being amortized by the state contribution. The System's financial statements are prepared on the accrual basis.

As of June 30, 1975, the total unfunded liabilities of the State Teachers' Retirement System were: \$1,747,624,637 (State contribution which is being amortized by the \$135,000,000 annual contribution) and \$6,257,975,000 (member contribution on which interest is being paid). This unfunded total liability is \$8,005,599,637 (Annual Financial Report, State Teachers' Retirement System, 6/30/75). The State Teachers' Retirement System reports that further changes in the contribution rates are now under study as the result of a recent actuarial analysis, and that increased contributions by both employers and employees may be put into effect in the near future.

The State Teachers' Retirement System's actuary is Milliman and Robertson, Inc. of San Francisco, California; Investment Counsel for equities is B A Investment Management Company, San Francisco, California; auditor is Coopers and Lybrand, Sacramento, California.

State Public Employees' Retirement System. This system was originally established in 1931. As of June 30, 1975, there were 535,786 members, of

whom approximately 10% are classified as "safety" members (principally fire and police duties) and the balance are classified as "miscellaneous" members (management, administrative, staff, operational and clerical employees).

Approximately one-third of the members are state personnel and the balance are public agency personnel. As of June 30, 1975, the System provided retirement, death and survivor benefits under 901 contracts for about 1,900 public agency employers (cities, counties, school districts, and other public agencies) with 356,517 members. The System's funding is by employer and employee contributions together with investment income. Contributions fluctuate yearly depending on the number of members and their respective salary schedules.

Total assets of the System at June 30, 1975 were \$7,010,807,246, according to the annual audit. Of this amount, net assets of \$6,966,356,482 were available for benefits. The annual contribution by the State of California for the 1974 and 1975 fiscal years, as reported by the State Controller, was \$162,649,578 and \$231,057,854, respectively.

The unfunded obligation of the System was determined to be \$5,723,459,587 at June 30, 1975 by the independent auditors. This represents the present value of future state contributions and other member contributions. The amount of the respective unfunded liabilities will vary from time to time depending upon the actuarial assumptions utilized, rates of return and salary scales. The present System policy is designed to satisfy the unfunded obligation by the year 2000 (source: Retirement System).

The System's financial statements are prepared on an accrual basis of accounting and the System's auditor is Coopers and Lybrand, Sacramento, California. Citicorp Investment Management, Inc., San Francisco, provides investment advisory services. The System's actuarial activities are conducted internally on a continuous basis, with an experience analysis being conducted no less than every four years. This function is now the responsibility of Benefit Technology, Santa Clara, California, which is expected to perform an actuarial valuation in 1977.

Bonded Indebtedness

As of May 2, 1977, the Davis Joint Unified School District had general obligation bonds outstanding amounting to \$7,712,557.

Direct and Estimated Overlapping Bonded Debt

The District's general obligation bonding capacity is equal to 10 percent of its assessed valuation after all exemptions except homeowners' and business inventory, as adjusted by the Collier Factor. The Collier Factor is a comparison of a county's assessment level with the statewide average ratio. The factor is used to offset differences in assessment levels for intercounty school districts and conforms assessment to the statewide average assessment level for all property. The District's bonding capacity as of May 2, 1977 as determined by the County Auditors of Yolo and Solano Counties is \$6,322,276.

The State of California Education Code as applied to this transaction provides that a unified school district shall not enter into any long term

leases of buildings if the combination of: (a) 50 per cent of the District's rental payments under such leases, plus (b) the outstanding district general obligation bonded indebtedness, exceeds 12.5 per cent of the district's net taxable assessed valuation plus homeowners' and business inventories exemptions.

Based on the District's 1976/77 assessed valuation for this purpose (\$156,362,076) the 12.5 per cent limit of anticipated lease rentals and general obligation bonded debt equals \$19,545,259. The maximum aggregate lease rentals payable by the District under the Project Phase I Facility Lease include: (a) base rental of \$17,078,260, assuming an estimated interest rate of 7 percent is bid on the Series of 1977 Bonds, and (b) additional rental (estimated to be \$10,000 per year over the term of the Project Phase I Facility Lease), or \$200,000 in the aggregate. Fifty per cent of the District's lease rentals (\$8,639,130) plus general obligation bonded debt (\$7,712,557) will approximate 83.7 per cent of the District's general obligation bonded debt and lease rental limitation of \$19,545,259.

The direct and estimated overlapping bonded debt of the District is shown on page 24. The \$9,000,000 principal amount of the Corporation's Series of 1977 Bonds is shown for informative purposes only since bonds of the Corporation are not a debt or obligation of the District.

Other Long Term Liabilities

The District leases four buses on a yearly aggregate rental of \$43,077.26. These rentals commenced in fiscal year 1976/77 and will continue through fiscal year 1980/81.

Table 10

DAVIS JOINT UNIFIED SCHOOL DISTRICT

Statement of Direct and Estimated Overlapping Bonded Debt^①

Estimated Population	40,000		
1976/77 Assessed Valuation	\$156,362,076 ^②		
Estimated Real Value	\$590,402,546 ^③		

Public Entity	Percent Applicable	Estimated Debt Applicable May 2, 1977
Solano County	0.140%	\$ 9,450
Yolo County Flood Control and Water Conservation District, Zone No. 4	41.851	3,149,288 ^④
Los Rios Community College District	6.335	473,541
Davis Joint Unified School District	100.	16,712,557 ^⑤
City of Davis	100.	3,525,000
City of Davis Municipal Sewer Facilities District No. 1	100.	2,660,000
City of Davis 1915 Act Bonds (Parking)	100.	569,000
Davis Comstock Recreation Corporation	100.	539,000
East Davis County Fire Protection District	95.773	100,562
Sacramento-Yolo Port District	0.058	10,240
Reclamation District No. 2035 (Estimated)	3.910	33,000
TOTAL GROSS DIRECT AND ESTIMATED OVERLAPPING BONDED DEBT		27,781,638^⑥
Less: Sacramento-Yolo Port District (1966, 1969 and 1972 Issues, 100% Self-supporting)		6,134
TOTAL NET DIRECT AND ESTIMATED OVERLAPPING BONDED DEBT		\$27,775,504

	Ratio to		
	Assessed Valuation	Estimated Real Value	Per Capita
Assessed Valuation	—	—	\$3,909
Direct Debt	10.69%	2.83%	\$ 418
Net Direct and Estimated Overlapping Bonded Debt	17.76%	4.70%	\$ 694

① Compiled in cooperation with California Municipal Statistics, Inc.

② The 1976/77 assessed valuation is before deduction of \$13,514,656 homeowners' and business inventory exemptions, the taxes on which are paid by the State of California.

③ State Board of Equalization reports that 1976/77 Yolo County assessed valuations averaged 26.9% of full market value and 1976/77 Solano County assessed valuations averaged 22.4% of full market value. Public utility property (\$7,794,640) is assessed at 25% of full market value by the state.

④ Excludes share of revenue bonds and Bureau of Reclamation loan.

⑤ Includes \$9,000,000 Series of 1977 Bonds to be sold on May 19, 1977.

⑥ Does not include El Macero Sewer 1911 Act Assessment Bonds.

ECONOMY OF THE DISTRICT

The Davis Joint Unified School District covers approximately 124 square miles in south central Yolo County and six square miles in northeastern Solano County. District boundaries encompass the City of Davis (population 33,000), a general campus of the University of California, and surrounding unincorporated areas. Over 99 percent of the assessed valuation of the District is in Yolo County. An estimated 40,000 persons currently reside within the District.

The economy of the area is based on agriculture, food processing, light manufacturing, and the substantial payrolls and research activities of the University of California, Davis. The City of Davis accounts for about 80 percent of the District's population and 73 percent of its assessed valuation. Davis is located 72 miles northeast of San Francisco, 385 miles northwest of Los Angeles, and 14 miles west of Sacramento.

Both Yolo County and Solano County are located in standard metropolitan statistical areas. Yolo County (along with Sacramento County and Placer County) forms part of the Sacramento Metropolitan Area, while Solano County is part of the two-county Vallejo-Fairfield-Napa Metropolitan Area.

City of Davis

Founded in 1868 and incorporated in 1917 as a general law city, Davis is the research, educational, and cultural center for the area between Sacramento and San Francisco-Oakland. Davis is Yolo County's largest city.

The City Council consists of five members elected at large for four-year overlapping terms. The Council chooses one of its members to serve as Mayor for a two-year period. The Council appoints the City Manager, City Attorney, and all members of the various boards and commissions. The latter are advisory, with the Council having final authority and responsibility for establishing policy. Public safety functions are carried out by the 55-member Davis

Police Department and the 31-member Davis Fire Department, which is assisted by 25 volunteers and 10 resident student volunteers. The city and the University of California, Davis Fire Department maintain a mutual aid agreement.

Municipal expansion of the City of Davis is guided and controlled by a General Plan revised periodically to meet changing needs. In 1972, a major revision was undertaken, resulting in an entirely new General Plan adopted in 1974.

Median school years completed for city residents in the 1970 Census (17 for males and 14.5 for females) ranks among the highest in the state, reflecting the presence of the University of California campus adjoining the city.

Population and Growth Management Policies

The population data tabulation on page 26 reflects the city's rapid rate of growth as compared to that of the county. In the decade of the sixties, the city's population expanded over 163 per cent, while Yolo County's population increased slightly less than 40 per cent. This accelerated growth pattern has continued since 1970. Davis accounted for over 90 per cent of the county's increased population during the first half of the seventies.

As a response to this population growth the City of Davis and Yolo County General Plans were developed and closely coordinated to provide for orderly growth. The City of Davis General Plan projects a City population of from 45,000 to 50,000 in 1990 (present population estimated at 32,800).

The Yolo County General Plan is designed to preserve as much agricultural land as possible (approximately 70% of the total Yolo County acreage is in agricultural preserves). In addition, the County General Plan by policy statement allows annexation of land by the City of Davis only after approval from the Local Agency Formation Commission and only after the City of Davis provides assurance that it can

supply the necessary services for the proposed annexed land area.

In addition, the Council of the City of Davis adopted on November 6, 1974 an ordinance instituting a "Housing Development Priority Program". This program incorporates a growth management procedure which identifies housing needs and maintains control of the type and rate of construction of single family for-sale residential units. The quality control of construction is designed to provide an economic mix of such residential units based upon income ranges identified through the Census, as well as diversified design and efficient land use.

The staff develops and presents to the City Council a recommendation which estimates housing needs for a three year period. The City Council acts on the recommendation.

The ordinance was amended on July 9, 1975 to exclude apartments from growth management except on a special Council declaration.

This growth management policy together with the Yolo County and City of Davis General Plans were formulated to provide for orderly development within the Yolo County-City of Davis area.

University of California, Davis Impact on Population and Housing

The University of California, Davis does not require students to live in campus provided housing. The present student enrollment approximates 17,200 with the University providing housing for 3,700 students (3,000 rooms for undergraduates, 200 rooms for graduate students and 500 apartments for married students).

Present University policy is to increase the enrollment at the graduate and professional schools to allow for a full student enrollment of 18,400 in 1985 (present enrollment approximately 17,200).

The University reports that any future construction of housing facilities for students would provide for no more than 200 units. No construction is planned in the near future.

Population Characteristics

Residents of Davis enjoy comparatively high incomes. Average family income reported in the 1970 Census was \$13,059 (county \$10,641). Over half of the 9,844 employed persons at that time were identified as professional, technical, or administrative workers. The 1970 distribution of family income is shown in the accompanying tabulation.

City of Davis		
Income Class	No. of Families	Percent of Total
Less than \$10,000	1,852	39.3%
\$10,000-14,999	1,186	25.2
\$15,000-24,999	1,286	27.3
\$25,000 or more	387	8.2
Total	4,711	100.0

	City of Davis	Yolo County
Mean Family Income	\$13,059	\$10,641
Median Family Income	11,858	9,482

Source: Bureau of the Census.

In 1970 about 58 per cent of the city's 7,517 housing units were single family homes and 44 per cent were owner-occupied, according to the Census of Housing. Median home value was \$25,100 and median monthly rental was \$145, compared with equivalent county medians of \$18,500 and \$106.

Population Data

Census Data	City of Davis	Percent Change	County of Yolo	Percent Change
1940	1,672	—	27,243	—
1950	3,554	112.6%	40,640	49.2%
1960	8,910	150.7	65,727	61.7
1970	23,488	163.6	91,788	39.7
1976①	32,800	39.6	101,700	10.8

① January 1 estimate by State Department of Finance.

Employment

The Davis campus of the University of California provides employment for over 6,400 full-time workers. Other large employers in the District are Hunt-Wesson Foods, Inc., which employs up to 1,200 during the fall canning season, Pacific Standard Life Insurance Co. (177 employees), Teichert Construction Co., with a payroll of 175, and Pacific Gas and Electric Co., employing 160 at local facilities, including 140 at PG&E's regional General Construction Service Center in Davis. The largest employers in the District are shown in the tabulation below.

Many District residents commute daily to Sacramento to work in government offices and private activities associated with the state and federal governments. This is discussed more fully in the section of this Official Statement concerning the Sacramento Metropolitan Area.

Commercial Activity

Retail and service establishments in the District are concentrated in the City of Davis. The central section of the city offers shopping, banking, and professional offices. Three neighborhood shopping centers serve outlying areas. The largest of these is University Mall Shopping Center, an air-conditioned facility located near the University campus. Auto sales and restaurants are located adjacent to Interstate 80 and the Core Area.

Sutton Properties Inc. of Sacramento has received approval for construction of a commercial

and residential development south of I-80, near the El Macero community area. The commercial center would cover 6½ acres and have 70,000 square feet under roof. A mixture of single and multiple housing units are planned for adjacent areas.

Between 1971 and 1975, taxable sales in the City of Davis increased over 85 per cent. By the third quarter of 1976, there were 481 outlets in the city reporting taxable transactions, compared with 310 five years previously. Of the 481 outlets, 196 were retail establishments and 285 were non-retail. Accompanying tabulations provide taxable transactions in the City of Davis by individual years since 1971 and a distribution of taxable sales for 1975 by type of business.

CITY OF DAVIS

Taxable Transactions 1971-76

(\$000 omitted)

Year	Retail Outlets		All Outlets	
	Permits	Transactions	Permits	Transactions
1971	139	\$30,378	310	\$34,412
1972	150	37,334	339	41,428
1973	156	45,276	366	49,765
1974	162	49,354	382	53,801
1975	174	58,084	433	63,719
1976				
(9 mos.) .	196	50,602	481	54,417

Source: State Board of Equalization.

Largest Employers in the District

Employer	Service/Business	Employment
University of California	Education and Research	10,925 ^①
Hunt-Wesson Foods, Inc.	Food packing	150-1,200
Davis Joint Unified School District	Education	570
City of Davis	Municipal government	190
Pacific Standard Life Insurance Co.	Insurance	177
Teichert Construction	Engineering contractors	175
Pacific Gas and Electric Co.	Utility	160
U.S. Dept. of Agriculture	Conservation	114
Armco Steel, Metal Products Div.	Steel products	75

^① 6,420 full-time and 4,505 part-time. Includes 2,000 full-time staff at the Sacramento Medical Center.

Source: Davis Area Chamber of Commerce.

CITY OF DAVIS

Taxable Transactions by Type of Business 1975 (\$000 omitted)

Type of Business	No. of Permits	Transactions
Apparel stores	15	\$ 1,564
General merchandise	8	3,468
Drug stores	6	2,650
Food stores	15	6,416
Eating, drinking places	38	6,748
Home furnishings, appliances ..	7	847
Building materials, farm imple- ments	4	3,579
Auto dealers, auto supplies	10	18,976
Service stations	21	6,987
Other retail	50	6,849
Total retail outlets	174	\$58,084
All other outlets	259	5,635
Totals, all outlets	433	\$63,719

Source: State Board of Equalization.

Building Permits

Building permit valuation in the City of Davis reached a record \$21.7 million in 1976, more than 55 percent greater than 1975. The number of new housing units, although not a record total, compared favorably with annual totals reported in the 1971-73 period, and was considerably in excess of levels prevailing in the two years 1974-75.

During the past six years, approximately 4,800 housing units have been built in Davis. About 55 percent of these units are in multi-family structures.

Annual building permit values in the city for the most recent six-year period are shown in the accompanying tabulation. Selected large building permits issued in 1976 are listed on page 29. (See "Population and Growth Management Policies" section of this Official Statement for a discussion of the County and City growth management policies).

University of California, Davis

The 3,787-acre Davis campus, which adjoins the city to the southwest, is the largest in acreage of the nine campuses of the statewide University of California, and the third largest in enrollment (after UCLA and Berkeley). Since its establishment as the University State Farm in 1905, Davis has been the

CITY OF DAVIS

Building Permit Valuation (\$000 omitted)

	1971	1972	1973	1974	1975	1976
Residential	\$16,399	\$14,705	\$18,009	\$6,109	\$10,208	\$18,191
Nonresidential	1,611	2,227	2,800	2,792	3,694	3,509
Total	\$18,010	\$16,932	\$20,809	\$8,901	\$13,902	\$21,700
Number of New Housing Units:						
Single	369	472	502	204	264	372
Multiple	802	449	694	103	96	529
Total	1,171	921	1,196	307	360	901

Source: City of Davis Building Inspection Department and Security Pacific National Bank.

CITY OF DAVIS

Large Building Permits 1976

Type of Construction	Owner/Builder	Permit Value
Apartments (96)	South-Winburn-Adams	\$1,491,000
Apartments (80)	Eppie Johnson	1,190,000
Apartments (88)	Stetson-Shuey	1,065,000
Apartments (40)	Adams Construction	446,000
Office building	Klink Hammer Construction	275,000
Industrial	Pacific Gas and Electric Co.	160,000
Office building	Robert Warren	153,000

Source: City of Davis Building Inspection Department and Security Pacific National Bank.

center for agricultural research in California, gaining an international reputation in the agricultural sciences and viticulture. Additions of the School of Veterinary Medicine in 1949 and the College of Letters and Science in 1951 provided impetus for expansion.

In 1959 University regents determined that Davis was to become a general campus, embracing all major academic disciplines. Subsequently established were the Graduate Division (1961), the College of Engineering (1962), the School of Law (1966), and the School of Medicine (1968). In 1973 the Davis campus acquired ownership of an existing hospital in Sacramento, and now operates the 620-bed Sacramento Medical Center in conjunction with its School of Medicine at Davis.

The University maintains a radio station and an airport at Davis. The faculty now numbers more than 2,000, serving a fall 1976 enrollment of 17,193 students.

Transportation

District residents and businesses have convenient access to a variety of rail, highway, air, and water transportation facilities serving wide-ranging markets. Transcontinental Interstate 80 traverses the District, intersecting north-south Interstate 5 at Sacramento. State Highway 113, recently improved to freeway status in the Davis area, runs north from Davis to Woodland, and joins I-5 north of Woodland. Well-maintained county roads support these main highways.

Southern Pacific's main line generally parallels I-80 through the District. A branch line out of Davis

serves the northern areas. There is an AMTRAK station in Davis.

Truck lines serve the District, with overnight delivery to Los Angeles, San Francisco, Portland, and Reno. Greyhound Bus Lines maintains a depot at Davis. Regional Transit has regular bus schedules to Sacramento and Woodland from Davis.

During the school year, the UCD campus and the City of Davis are served by the UNITRANS system, which uses two red London Double Decker style buses and six regular buses. Operated by the Associated Students, the service has five regularly scheduled lines.

The deep-water Port of Sacramento is located 12 miles east of Davis on Interstate 80. Owned and operated by the Sacramento-Yolo Port District, this complex serves agriculture, industry, and commerce in the rich Sacramento Valley. A 42-mile Ship Channel was constructed by the U.S. Army Corps of Engineers, permitting navigation by ocean-going vessels along a 79-mile route from the Golden Gate to the Port of Sacramento.

The Sacramento Metropolitan Airport, located 20 miles northeast of Davis on Interstate 5, provides scheduled passenger and cargo air service by United, Western, Pacific Southwest Airlines (PSA), Hughes Air West, Air California and three commuter airlines. The airport is a fully instrumented jet facility, with an 8,600-foot main runway.

Utilities

Electricity, natural gas, and telephone service are provided in the District by Pacific Gas and Electric Company and Pacific Telephone Company.

Education

In addition to the public educational services of the Davis Joint Unified School District, instruction in the elementary grades is provided by the private Longview School (grades K-6), the Catholic St. James School (grades K-6) and the Davis Christian School (grades 2-9) all located in Davis.

The Los Rios Community College District established in 1964, is composed of the Davis Joint Unified School District and nine other school districts, embracing most of the Sacramento metropolitan area and extending as far as Lake Tahoe. There are three campuses, all located in Sacramento: American River College (enrollment 20,737), Sacramento City College (14,322), and Cosumnes River College (5,563).

The University of California, Davis is discussed in a separate section. California State University at Sacramento is part of the State University and College System and enrolls approximately 20,000 full and part-time students. Also located in Sacramento is the McGeorge School of Law, affiliated with the Stockton-based University of the Pacific, a private institution.

Community Facilities and Recreation

Medical care for District residents is available at the 48-bed Davis Community Hospital. At Woodland, 10 miles north, are Woodland Memorial Hospital (114 beds), and Yolo General Hospital (200 beds), a county-operated facility. Practicing in Davis are 28 physicians and surgeons, 20 dentists, and eight other medical specialists.

Two local newspapers serve the District. The Daily Democrat is published Monday through Saturday, and the Davis Enterprise is published Monday through Friday. Metropolitan newspapers from San Francisco, Oakland, and Sacramento are available in the District on a daily basis. KDVS, owned and operated by the University of California broadcasts locally, supplemented by KSFM of Woodland.

The District is within broadcast range of radio and television outlets in Sacramento, enabling coverage of major networks.

The Davis branch of the Yolo County Library, largest in the county system, is located on property provided jointly by the city and the Davis Joint Unified School District. The building covers 10,000 square feet and houses a collection of over 45,000 volumes. The Davis Library is part of the Mountain Valley Library System, which provides inter-library loan services and extended reference support.

Commercial banks in Davis include Bank of America N.T. & S.A., the Bank of California N.A., Security Pacific National Bank, and Wells Fargo Bank N.A., all statewide banking systems. Additional financial services are available at local offices of Central California Federal Savings and Loan Association, Sacramento Savings and Loan Association, World Savings and Loan Association and First National Bank of Dixon.

In 1973 an administrative reorganization of city government brought together recreation, park maintenance, civic arts and community services activities into a municipal Life Enrichment Department. A full-time staff of 54 aided by a large number of part-time employees, operates and maintains over 200 acres of parks, greenbelts, a municipal golf course, and a community recreational facility. In 1974 the Veterans' Memorial Center was opened for community functions such as meetings, arts and crafts shows, instructional programs, concerts, dance groups, and dramatic performances. A separate Senior Center serves the needs of older residents.

In addition to the 18-hole municipal golf course, there is an 18-hole course at El Macero Country Club in the southeastern part of the city. There are ample opportunities for boating and fishing in the Sacramento River. Lake Berryessa, about 23 miles west of Davis, has water skiing and seven shoreline recreation areas. To the east, outdoor activities of the Sierra Nevada are within two hours driving time.

YOLO COUNTY

Yolo County was created in 1850 as one of the 27 original counties of California. It covers 1,035 square miles in the southern part of the Sacramento Valley. About 70 percent of the county's total area consists of alluvial plain utilized for intensive farming, with field crops and vegetables the principal agricultural commodities. A general law county, Yolo is governed by a five-member Board of Supervisors elected to four-year terms on a staggered basis. Yolo County has no bonded debt.

The county's July 1976 population was estimated at 104,700 by the California Department of Finance. The City of Woodland, with an estimated 1976 population of 25,650, is the county seat and trading center for the northern part of the county.

Agriculture has been and is expected to continue to be the principal economic base of the county. However, a growing number of non-agricultural industries, including the manufacturing of mobile homes, refined petroleum products, steel products, and cement, are becoming increasingly important to the County economy. In addition, the 17,000-student University of California, Davis provides education and employment opportunities for County residents and technical services for farmers, food processing firms and non-manufacturing industries located in the County. The University of California, Davis is a recognized leader in the development of agricultural technology.

The combination of highly developed agricultural production, food processing operations, other agricultural-related industries and services, non-agricultural manufacturing and the University complex has resulted in a broad-based and diversified County economy.

Yolo County is a part of the Sacramento Standard Metropolitan Statistical Area, described in the following section of this Official Statement.

Employment

Approximately 40 percent of all wage and salary workers in Yolo County are on government payrolls, with State government accounting for the major portion of employment in this category. This fact reflects the comparatively large number of persons employed at the University of California, Davis. Other major employment groups in the county are agricultural services, local government, retail trade, manufacturing, and personal services.

Government employees at all levels in the county receive more than \$160 million in annual salaries, or about 44 per cent of total salaries dispensed by all employers. The distribution of employment in the county by number of reporting units, wages paid, and number of employees is shown below.

Yolo County agricultural production and million dollar crops are also presented in accompanying tabulations.

YOLO COUNTY

Employment and Wages by Industry^①

Industry	No. of Employers	Quarterly Wages	No. of Employees	Employees, Percent of Total
Agriculture, Forestry, Fisheries	491	\$10,839,691	7,089	16.9%
Contract Construction	162	4,427,645	1,245	3.0
Manufacturing	102	10,795,805	3,990	9.5
Transportation, Utilities	113	5,120,889	1,536	3.7
Wholesale Trade	119	3,610,199	1,241	2.9
Retail Trade	453	7,479,723	4,835	11.5
Finance, Insurance, Real Estate	131	1,957,117	1,040	2.5
Services	473	6,655,722	3,774	9.0
Federal Government	10	1,299,467	337	.8
State Government	18	27,040,865	11,893	28.3
Local Government	22	12,393,411	4,899	11.6
Other	17	217,027	123	.3
Total ^①	2,111	\$91,837,561	42,002	100.0

^① As of second quarter 1975.

Source: State Department of Employment Development. Data from quarterly reports of private employers and government entities reporting under unemployment insurance, disability insurance or income tax withholding.

YOLO COUNTY

Gross Value of Agricultural Production

Crop	1972	1973	1974	1975
Fruits and Nuts	\$ 11,021,000	\$ 16,407,250	\$ 13,126,500	\$ 13,013,500
Field crops	50,012,000	73,339,000	105,095,000	94,059,000
Vegetables	36,392,000	52,045,000	84,571,000	83,580,000
Seed crops	2,052,000	2,870,000	2,189,500	2,750,000
Livestock and Poultry	5,382,800	8,621,900	8,443,900	8,539,100
Animal products	553,400	774,000	602,220	690,265
Apiary products	207,080	425,550	470,650	428,000
Total Value	\$105,620,280	\$154,482,700	\$214,498,770	\$203,059,865

Source: Yolo County Department of Agriculture.

Effect of Drought on Agricultural Production

Yolo County is experiencing for the second year a lack of rainfall which is adversely affecting crop production.

The supply of water to the District is beginning to reflect this lack of rainfall. The Yolo County Flood Control District which supplies District water from Clear Lake is no longer allotting water for crop irrigation. The Bureau of Reclamation which supplies water to the District through the Shasta Dam into the Sacramento River is currently considering limiting delivery of water.

The Yolo County Agricultural Commission estimates that County agricultural revenues for the 1976/77 fiscal year may be down between 10%-20% from last fiscal year.

As a means of cutting agricultural revenue losses, local acreage of rice and corn (requiring irrigation) is being reduced and crops not requiring as much irrigation (wheat, barley and safflower) are being substituted in their places. The largest County crop in terms of acreage (tomatoes) should not be adversely affected by the current lack of water according to the Yolo County Agricultural Commission.

YOLO COUNTY

Million Dollar Crops 1975

Crop	Gross Value
1. Tomatoes	\$75,294,000
2. Sugar Beets	18,060,000
3. Rice	17,649,000
4. All Alfalfa	14,878,500
5. Wheat	13,057,000
6. Corn	9,919,000
7. Cattle and Calves	7,315,000
8. Grain Sorghum	6,888,000
9. Safflower	6,859,000
10. Almonds	5,598,000
11. Melons	3,500,000
12. Walnuts	2,504,000
13. Barley	2,415,000
14. Prunes	1,802,000
15. Pasture, Irrigated	1,350,000
16. Pasture, Other	1,187,500
17. Apricots	1,186,000

Source: Yolo County Department of Agriculture.

SACRAMENTO METROPOLITAN AREA

As already noted, the Sacramento Metropolitan Area is composed of Sacramento, Yolo, and Placer Counties. It extends from the western edge of the Central Valley, only 50 miles from San Francisco, to the Nevada state line, covering 3,555 square miles. More than 900,000 people live in the three-county area. Elevations range from the low delta lands between the Sacramento and San Joaquin Rivers to 9,000 feet in the Sierra Nevada. Of the 17 recognized metropolitan areas in California, Sacramento ranks seventh in population, personal income and retail sales. It ranks sixth in median household effective buying income, according to Sales Management's 1976 Survey of Buying Power.

Sacramento, as capital of the state, provides a stable base of employment in the many local, county, state, and federal government offices in the area. The three-county Sacramento Labor Market is reported monthly by the State Department of Employment Development. As of November 1976, this labor market had an estimated civilian labor force of 378,900, total civilian employment of 344,800, and an unemployment rate of 9%, compared with 9.2% the previous November.

State and local government is the largest job category in the metropolitan area, and the fastest growing, with a gain of over 19 per cent between 1972 and 1975. The next highest rate of gain has been in services, which expanded 14½ percent during the above period.

Other above-average rates of employment expansion were evidenced in retail trade, wholesale trade, and the financial group. The tabulation on page 35 shows nonfarm wage and salary employment in the Sacramento Labor Market since 1972, with the most recent monthly data available. The area's largest employers are also listed on page 35.

SACRAMENTO LABOR MARKET^①

Wage and Salary Employment, 1972-76

Industry	Annual Averages				November 1976
	1972	1973	1974	1975	
Construction	14,500	14,400	13,400	12,900	12,900
Durable Goods Manufacturing	10,100	10,700	9,900	9,700	10,300
Nondurable Goods Manufacturing	12,000	12,400	12,900	13,000	12,500
Transportation, Utilities	17,400	17,700	17,800	16,900	17,500
Wholesale Trade	12,300	12,600	13,100	13,800	15,000
Retail Trade	49,400	52,800	53,400	55,500	60,700
Finance, Insurance, Real Estate	12,000	12,500	12,900	13,300	14,000
Services	43,400	46,600	48,600	49,700	51,900
Federal Government	27,200	26,300	26,800	26,100	132,200
State and Local Government	85,500	89,600	95,500	101,800	
Other	200	300	300	300	400
Total ^②	284,000	295,900	304,600	313,000	327,400

① Sacramento, Yolo, and Placer Counties.

② Does not include employers, own-account, unpaid family workers, domestic servants, and agricultural workers.

Source: California Department of Employment Development.

PRINCIPAL EMPLOYERS IN METROPOLITAN SACRAMENTO

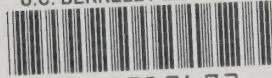
1,000 or More Employees

Employer	Type of Business	Employment
State of California	Government	34,090
McClellan Air Force Base	Air Force Logistics Depot	19,875
Mather Air Force Base	Air Force Training Base	8,660
Sacramento County	Government	6,867
Pacific Telephone	Telephone Service	4,617
Sacramento Unified School District	Education	4,100
City of Sacramento	Government	3,423
Sacramento Army Depot	Army Logistics Depot	2,778
Sutter Hospitals	Medical Services	2,040
Sacramento Medical Center (UCD)	Medical Services	2,000
Southern Pacific Transportation Co.	Railroad	2,000
Campbell Soup Company	Food Processing	1,850-2,100
A. Teichert & Son, Inc.	Construction Materials	400-2,100
California Almond Growers Exchange	Almond Processing	500-1,800
Sacramento Foods, Div. Borden	Food Processing	300-1,500
Sacramento Municipal Utility District	Public Electric Utility	1,350
Aerojet Liquid Rocket Co.	Propulsion Systems	1,250
Aerojet Solid Propulsion Co.	Aerospace Research	1,100
Del Monte Corporation	Food Processing	200-1,100
Pacific Gas & Electric Company	Electricity & Natural Gas	1,056

Source: Sacramento Metropolitan Chamber of Commerce.

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